HANDBOOK

ON CIVIL SOCIETY ORGANISATIONS REGISTRATION AND OPERATION:

comparative aspects

CONTENT

This publication was developed by a team of experts from the European Center for Not-for-Profit Law (ECNL) on request of the Legal Transformation Center and Assembly of Pro-Democratic NGOs of Belarus.

Disclaimer: *The purpose of the Handbook is not to give legal advice, but to provide interested persons with access to informative materials. Recognising that the CSO laws change and interpretations of local law vary, the European Center Not-for-Profit Law (ECNL) is not liable for any differences or inaccuracies.*

Who and what this edition is for

Civil society is an international phenomenon, which has crossed national borders. As means of communication develop, global public campaigns are implemented, international coalitions are established, NGOs quickly react to repressions against their colleagues in other countries with actions of solidarity and support.

Public organisations' pursuit to get registered as legal entities in countries with more favourable tax or civil legislation or political systems, which are safer for public activity, is one of signs of such internationalisation.

This topic has become especially urgent for Belarus over the last decade. Complicated procedure for registration of NGOs, ban on activity without registration, severe restrictions on receipt of foreign funding and most importantly state authorities' hostile attitude towards any display of independent civil activity force Belarusian organisations to seek registration in other countries. Belarusian NGOs, which are legally based abroad, amount to hundreds — they mainly choose neighbouring Lithuania and Poland, but it can also be Sweden, Ukraine, Czech Republic and other countries.

Conditions for registration of non-commercial organisations are very different in European countries, but they are almost everywhere better than Belarusian ones.

In their choice of the country for registration Belarusian NGOs are guided both by technical facilities, such as availability of infrastructure for activity in the country, presence of permanent partners, political support from the state, convenient transport links and legal aspects, such as possibility of registration without founders' permanent residence on the respective territory, simple registration procedure and required expenses, possibility to function without permanent office facilities, tax regime in respect of donations and organisation of accounting, possibilities of foreign citizens' participation in organisation management.

It is important to note that this is not about organisations leaving Belarus, no, they continue working for Belarus and their activists and leaders usually live in Belarus.

So, what does the status of a registered abroad non-commercial organisation give? As it is very expensive to register an already existing foreign non-commercial organisation's official branch office in Belarus and not simpler than to register a usual association.

This issue has many legal and practical aspects.

In legal terms, a Belarusian citizen, if he/she is a head or a member of a foreign organisation, has the perfect right to act on behalf of this organisation. Belarusian legislation doesn't contain the norm, which would prohibit entry into foreign associations.

According to the general rule, foreign registration allows to distribute information in Belarus as information about a foreign organisation — this, for example, removes the problem of publications in the media, which are banned to write about non-registered Belarusian NGOs. This could be a prominent factor to avoid marginalisation of NGOs, which authorities seek to drive into the underground. Anyway, unlawful character of the Belarusian state makes it difficult to assess benefits of foreign registration, but practice proves the demand for this way.

Nevertheless, registered abroad Belarusian NGOs have the opportunity to act as any other non-resident on the territory of Belarus. It means to enter into civil and legal relations, conclude agreements, including rent of offices, hold events and conferences, pay for production of output or rendering of services, etc.

In order to improve the level of awareness about conditions and opportunities of foreign registration among Belarusian organisations, the Assembly of Pro-Democratic NGOs of Belarus and the Legal Transformation Center have appealed to a reputable organisation — the European Center for Not-for-Profit Law — with the proposal to work out a handbook, which would inform about the conditions for foundation of NGOs by foreign citizens in various European countries.

Composition of a special handbook about conditions and benefits of registration in various foreign countries for Belarusian NGOs can be an important step towards the deliberate choice of the location country abroad for a legal entity, with due regard for all preferences and legal circumstances.

The stated in this handbook legal and technical data about conditions for registration and activity of NGOs in 8 countries will let Belarusian organisations choose the most advantageous country for their registration on the basis of their activity plan.

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INTRODUCTION

The right to freedom of association is a fundamental human right guaranteed by the major international treaties, most notably the International Covenant on Civil and Political Rights (ICCPR) in Article 22, the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR) in Article 11. Several international documents and guidelines were adopted to further strengthen the implementation of this freedom in practice including Joint Guidelines on Freedom of Association adopted by OSCE/ODIHR and Venice Commission in 2014. These documents emphasize that freedom to associate belongs **to everyone without discrimination**, and prescribe that any restrictions to this right are limited to those *"[…] prescribed by law and […] necessary in a democratic society in the interests of national security or public safety, public order (ordre public), the protection of public health or morals or the protection of the rights and freedoms of others".*

Freedom of association encompasses *inter alia* following fundamental rights for civil society organisations:

1. ***Right to obtain legal entity status.*** If the organisation wishes to, it should be able to obtain a legal entity status and the procedure should be simple and swift;
2. ***Right to operate freely.*** Freedom of association embraces the freedom of the founders and/or members to regulate the organisation's internal governance and run their own affairs. As independent, autonomous entities, CSOs should have broad discretion to regulate their internal structure and operating procedures.
3. ***Right to seek and secure resources.*** CSOs should have the right to seek and secure funding from legal sources, including individuals and businesses, as well as local, national and foreign governments.

According to the OSCE/ODIHR Joint Guidelines *"legal personality is a prerequisite for an association to gain the legal capacity to, in its own name, enter into contracts, make payments for goods and services procured, and own assets and property, as well as to take legal action to protect the rights and interests of associations, among other legal processes that can be essential for the pursuit of the objectives of associations."* In particular, the acquisition of legal personality is essential to act as a single entity for legal purposes. Hence, it is important that the legal framework enables organisations that wish to have such capacities to register without imposing any burdensome requirements.

The Handbook provides comparative information **on regulation of registration, operation and access to resources by CSOs in selected European countries.** The information was collected through desktop research of the relevant country laws and regulations followed by consultations with country experts.

We wish to thank the following partners who supported ECNL's research efforts in preparing this Handbook: Lawyers for Civil Society / Некоммерческое партнерство "Юристы за гражданское общество, Russia; Krzysztof Izdebski, lawyer, Poland; Civil Rights Defenders, Sweden; Alari Rammo, NENO/EMSL, Estonia; Aurelija Olendraite, NGO Law Institute/NVO Teisės Institutas, Lithuania; Anastasia Krasnosilska, expert of Ukrainian Center for Independent Political Research ; Caterina Scuderi, a former ECNL intern.

Ivana Rosenzweigova, Hanna Asipovich,
European Center for Not-for-Profit Law

CZECH REPUBLIC



General information*

- Capital: Prague
- Population: 10.52 million
- GDP: $198.4 billion

CSO legal forms and their characteristics

Civic Association

- General membership – based organisational form established by 3 persons, no eligibility requirements for founders.
- Complex legal regulation, however, many provisions are non-mandatory.

Foundation

- General non-membership organisational form created to collect the financial assets for public benefit purposes, with the initial capital requirement of 500,000 Czech crowns (EUR 18,230).
- Rather complicated legal regulation with excessive requirements.

Fund

- Simpler non-membership organisational form, without specific initial capital requirement, but serving rather temporary than long term purposes.

Institute

- Organisational form that combines aspects of a membership and non-membership CSO
- Required to engage in provision of services.

Key CSO laws

- Law No. 89/2012 Coll. Civil Code;
- Law No. 235/2004 Coll. On the Value Added Tax;
- Law No. 586/1992 Coll. On the Income Tax;
- Law No. 304/2013 Coll. On the Public Registers of legal entities and physical persons.

* Source: World Bank, 2013.

1. Existing forms of CSOs and their characteristics

What forms of CSOs exist? What are their main characteristics?

The existing CSO forms include: **Association** (*Spolek*), **Foundation** (*Nadace*), **Fund** (*Nadační fond*) and **Institute** (*Ústav*). For the purposes of this Handbook we will provide information on associations and funds.

Are there any restrictions on the permissible goals and activities of CSOs?

Association: Direct economic activity, with the aim to gain profit, cannot be the main statutory activity, only a supplementary one. In addition to this, the profit gained can be used only for support of the main statutory activity or for operational costs.

Fund: Funds are established only for socially or economically useful purposes.

In addition, Article 145 of the Civil Code stipulates that a legal entity cannot be established with the aim to violate the law or achieve a goal illegally, especially if its purpose is:

a) denial or restriction of personal, political or other rights of persons of their nationality, gender, race, origin, political or other opinion, religion and social status;

b) incitement of hatred and intolerance;

c) promotion of violence;

d) control over public authority or public administration without legal authorisation;

e) prohibited are armed legal entities or those having armed forces.

2. Requirements on the founders of a CSO

What is the minimum number of founders required by law?

Association: 3.

Fund: 1.

What are the eligibility requirements for founders? Are foreign citizens allowed to serve as founders?

Association: There are no specific eligibility requirements for the founders, all individuals and/or legal entities are allowed to found an association. In case there are 3 individuals at least one must have full legal capacity.

Fund: Any individual and/or legal entity is allowed to establish a fund. There has to be at least one individual with full legal capacity.

Are there any property or cash contribution requirements for the founders?

Association: No.

Fund: The amount of the contributions is set by the founders in the founding document.

3. Registration procedure

Which authority is responsible for the registration?

Association: Regional Court determined on the basis of the official seat of the association or Notary.

Fund: Regional Court determined on the basis of the official seat of the fund or Notary.

What is the registration fee?

Association: 1,000 Czech crowns (EUR 36.5)

Fund: 2,000 Czech crowns (EUR 73)*

Are there any other direct financial costs of the establishment of a CSO?

- Notarial costs for the official verification of the signatures on the written documents (see below).
- Potential translation costs; registration documents must be submitted in the Czech language.

How long should the registration process take?

Association: Maximum 30 days. If there is no answer from the responsible authority within 30 days, there is a legal presumption that the association has been registered.

Fund: According to the Law, the Court has to decide about registration within 5 days.

Which documents are required for registration?

Association:

- *Statutes*, the content is determined in Article 218 of the Civil Code, the full version of Statutes must be kept in the premises of the association's seat;
- *Minutes from the founding meeting* with the officially verified signatures of the persons present at the meeting;

* As of January 2015 all registration fees for associations and funds have been waived until the June 30, 2016.

- *Written affidavit of the statutory representatives and members of the controlling and other bodies of the association* that they comply with the conditions for performing their functions and that they agree with the registration of the association (with the officially verified signatures);
- *Written confirmation of the owner of the property* about the registration of the association's seat in their premises (with the officially verified signature);
- *Application form for the registration*;
- *Duty stamps in a value of the administration fee.*

Fund:

- *Written affidavit of the statutory representatives and members of the controlling and other bodies of the fund* that they comply with the conditions for performing their functions and that they agree with the registration of the fund (with the officially verified signatures);
- *Founding document*, its content is determined in Article 396 of the Civil Code;
- *Payment confirmation* of the initial contribution;
- *Notification of the administrator of the initial contributions* on how they administer the contribution;
- *In case the founder is a legal entity, declaration of its legal status;*
- *Written confirmation of the owner of the property* about the registration of the association's seat in their premises (with the officially verified signature);
- *Extract from the Land Registry,* where the seat of the fund is located;
- *Duty stamps in a value of the administration fee.*

Is electronic submission possible?

Yes.

Is there a requirement to have an office in the country? Are there any specific requirements related to it?

Yes, there is a requirement to have an office (the official seat), but no additional requirements are set except for the written consent of the landlord. The office may be located in any kind of premises, including apartments.

Are there additional requirements related to registration?

No.

Are there additional administrative procedures related to registration?

Both organisations may need a bank account for carrying out any economic transaction, although it is not expressly stipulated by law. In addition, the fund must have a bank account in order to be able to administer the contributions and disburse them to the beneficiaries, although it is not expressly stipulated by law.

What are the legal grounds for denial of registration?

Following are the grounds for denial applicable to both organisational forms:

1. The application for the registration is submitted by a person not entitled to do so;
2. The application is not submitted in a prescribed manner;
3. The application does not contain all the prescribed information;
4. The application is incomprehensible or vague;
5. The application is not supplemented with the requested documents;
6. The purpose of the organisation is not in compliance with Article 145 of the Civil Code (see the question on restrictions and permissible goals of the organisation).

The registration authority explains in its decision the grounds for denial, provides advice on how to make the corrections and sets a time period for submission of a corrected application.

4. Sources of funding

What are the possible sources of funding?

Association: Available sources of income include:

- State funding (on both national and local level);
- Donations from domestic and foreign individuals and legal entities;
- Membership fees;
- Funding from corporate foundations and/or endowment funds;
- Income from economic activities;
- International and EU funding mechanisms;
- Income from service charges and legacies.

Fund: Article 398 of the Civil Code stipulates that possible assets of the fund are:

- Contributions from the founders and donations from individuals and legal entities;

- Income from economic activities but the gained profit shall be used only for the support of the fund's statutory purposes.

In addition to this, funds have access also to state funding (on both national and local level), funding from international EU funding mechanisms.

What are the restrictions on the possible sources of funding?

Association: Direct economic activity, with the aim to gain profit, cannot be the main statutory activity, only a supplementary one. In addition to this, the profit gained can be used only for the support of the main statutory activity or for the operational costs.

Fund: Fund is allowed to engage in economic activities but the gained profit shall be used only for the support of the fund's statutory purposes. Contrary to the foundations, a fund may dispose with its assets, if the act of disposal is in compliance with statutory purposes and may also use its assets for deliberate investments. The fund's property cannot be used for securing the debts.

5. Tax treatment of CSOs

What is the income tax treatment of CSOs?

CSOs are generally exempt from taxation on income from grants, donations if they are used for statutory purposes and income from statutory activities if they do not create surplus. Income from the non-statutory economic/commercial activities and surplus from other income generating activities is taxed at a reduced rate. The association or fund may reduce its tax base by 30% but maximum by 1,000,000 CZK (EUR 36,500) if the profit earned is used solely for financing the statutory activities. Revenue from the rent of property, revenues from commercial ads, income in form of interests and income from membership fees are subject to income tax. As an exception, associations do not have to pay the income tax from membership fees.

What is the VAT treatment of CSOs?

CSOs have to pay VAT on the income from economic activities, if their annual turnover exceeds 1,000,000 CZK (EUR 36,500). The general VAT rate is 21%.

Are there any tax benefits for donors in place?

Yes, individuals and legal entities may deduct the donations with a total value up to 10% (legal entities) and 15% (individuals) of the taxable income, provided that at least 2% of the tax base is donated.

6. Obligations of a registered CSO

What are the reporting requirements of a registered CSO?

No obligation to submit an annual report to authorities.

Are there additional obligations of a registered CSO?

CSOs have to register as VAT taxpayers at the respective Tax Authority and submit *VAT Tax Declaration* if their annual turnover from economic activities exceeds 1 million CZK (EUR 36,500).

Additionally, if a CSO has income from sources that are not income tax exempted, it is obliged to submit the *Income tax declaration.*

7. Internal governance of the organisation

What are the basic requirements related to the governance and internal structure as provided by law?

Association: The law provides a broad discretion to associations in determining their internal structure and governance. The compulsory bodies of the association are:

- *statutory body*, usually called general assembly (individual or collective); and
- *supreme body* of the association.

There is a possibility to decide that the statutory body also serves as the supreme one. Other bodies of the association could be the controlling committee, the arbitration committee or other bodies determined by statutes.

The supreme body has to meet at least once a year. Decisions require either standard majority vote or super-majority when the key decisions are taken. For any decision-making process standard majority of members must be present at the meeting.

Fund: The two main bodies of a fund are Administration committee, which is a statutory body of the organisation acting on behalf of the organisation, and Supervisory committee or controller.

Powers and responsibilities of the *Administration committee* include everything that is not expressly entrusted to other bodies of the fund, either by law, founding document or by a decision of public authority. Those are, in particular, management of the assets or decision-making about all the matters of the fund. The Administration committee must be composed of at least 3 members (individuals and/or legal entities can serve as members of the committee). For decision making at least standard majority of members is required to be present at the meeting. The decisions are taken with a standard majority vote or super-majority in case of key decisions.

Supervisory committee (with minimum 3 members) may be substituted by a single *controller* in case of smaller funds. Both Supervisory committee and controller are in charge of overseeing the activities of the Administration committee, controlling the distribution of fund's contributions, monitoring the accounting and giving opinions on the financial matters of the fund.

Are there any eligibility requirements to the members of the governing bodies?

Members of the governing bodies must be at least 18 years old, with a full legal capacity. If the statutory activities of an association or a fund are linked to the youth or persons without full legal capacity, they can serve as members of governing bodies. However, the CSO can not engage in economic activities.

In addition, a member of the statutory body of the fund shall not be a member of the Supervisory committee, an employee of the fund, or a person that is biased towards the fund's purpose.

Are foreign citizens allowed to serve on the board?

Association: Yes.

Fund: Yes.

Are founders and members financially liable by law?

Association: No

Fund: No.

8. Staff and members of the organisation

Are there any eligibility requirements of the staff and members of a CSO?

No.

Is there a requirement to have a full-time employee?

No.

Is there a requirement to have an accountant?

There is no obligation to have an accountant, but there is a requirement to keep the books. The book keeping can be contracted to an external accountant or an accounting company.

9. Voluntary dissolution and liquidation

What is the liquidation procedure in case of voluntary dissolution of a CSO?

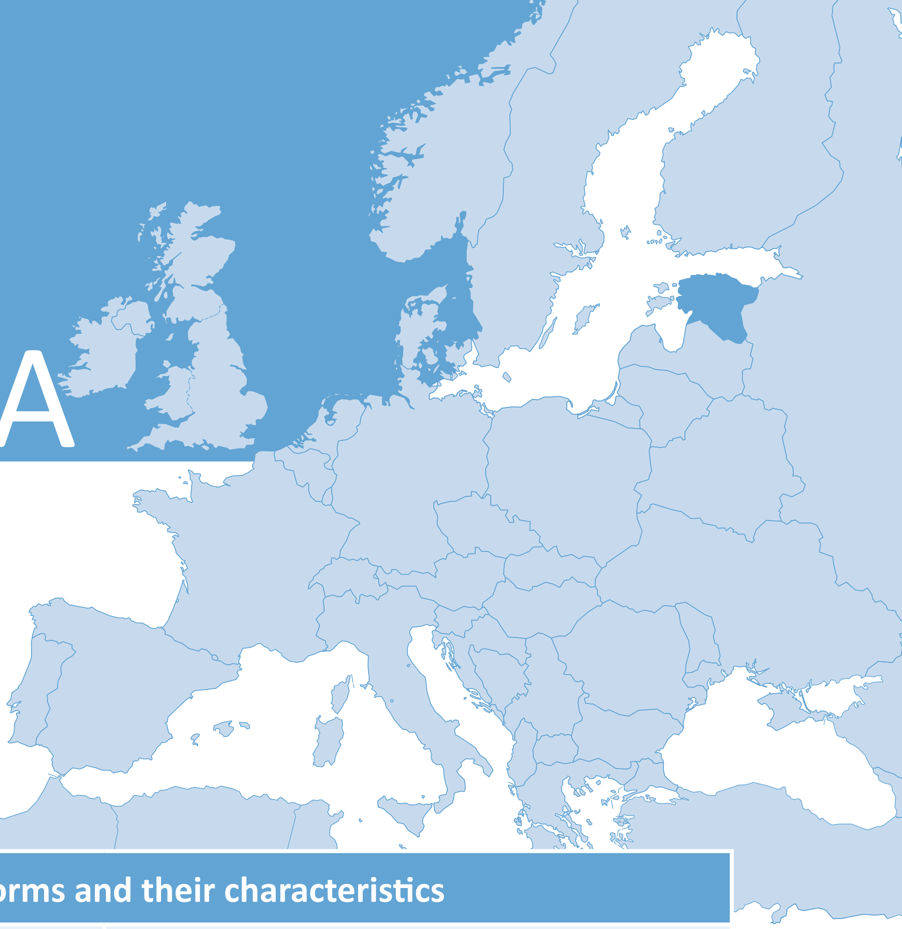
Association: The supreme body decides about voluntary dissolution of the association. If there are any remaining assets or claims, the association shall appoint a liquidator that satisfies the claims of the creditors and disburses the remaining assets in accordance with the law. The rest of the assets shall be used in compliance with the statute. If this is not possible than the liquidator offers the remaining assets to an association with similar goals (Article 269–273 of the Civil Code).

The association may decide also to undergo a process of a merger and separation (Article 274–302 of the Civil Code).

Fund: If the purpose for which the fund was established has been fulfilled, if the fund was established for definite period of time or it is no longer possible for the fund to fulfil its statutory purposes, the Administration Committee (a statutory body) may decide about dissolution and appoints a liquidator. The process of liquidation is the same as for all legal entities. The duration of the process highly depends on the remaining assets and claims. (Article 187–209 of the Civil Code).

The Fund may be dissolved without liquidation through a merger or change of legal form.

ESTONIA



General information*

- Capital: Tallinn
- Population: 1.325 million
- GDP: $24.88 billion

CSO legal forms and their characteristics

Non-profit Association

- General membership organisational form, established by at least 2 persons, without any additional requirements on the eligibility of a founder.

Foundation

- General non-membership organisational form, without any initial capital requirement, but it could be dissolved if assets are clearly insufficient and no acquisition is likely in the immediate future.

Contract of Partnership

- Organisational form without the registration requirement and also without legal personality, governed by the Law on Obligations Act.
- Used usually for local or hobby groups.
- Not eligible for all kinds of funding, however sometimes allowed to apply for public funding.

Key CSO laws

- Non-profit Associations Act of June 6, 1996;
- Foundations Act of November 15, 1995;
- Law on Obligations Act of September 26, 2001.

* Source: World Bank, 2013.

1. Existing forms of CSOs in Estonia and their characteristics

What forms of CSOs exist in Estonia? What are their main characteristics?

The existing CSO forms include: **Non-profit association** (*Mittetulundusühing*) and **Foundation** (*Sihtasutus*) and **Contract of partnership** *(Seltsing)***.** For the purposes of this Handbook we will provide information on non-profit associations and foundations.

Are there any restrictions on the permissible goals and activities of CSOs?

Non-profit association: There are no particular restrictions except of those arising from the non-profit nature of the association: the objective or main activity shall not be the earning of income from the economic activities and the income may be used only to achieve the objectives specified in its statute. Additional restrictions may be provided by law.

Foundation: Similarly as for non-profit associations there are no particular restrictions, except of those arising from the non-profit nature of the foundation. Both public benefit and private purposes of the foundation are allowed.

2. Requirements on the founders of a CSO

What is the minimum number of founders required by law?

Non-profit association: 2.

Foundation: 1.

What are the eligibility requirements for founders? Are foreign citizens allowed to serve as founders?

There are no eligibility requirements, both natural persons and legal entities may found non-profit association or foundation. Foreigners are also allowed to be founders.

Are there any property or cash contribution requirements for the founders?

Non-profit association: No.

Foundation: The law stipulates that the amount of contribution shall be determined by founders in the founding document (resolution). The founders may also decide not to transfer contributions.

3. Registration procedure

Which authority is responsible for the registration?

Registration department of Tartu County Court (Registrar) maintains the register. Registration may be done online with a digital signature in case of non-profit associations and/or via notary. For foundations the registration is done via notary.

What is the registration fee?

Non-profit association: EUR 20.

Foundation: EUR 58.

Are there any other direct financial costs of the establishment of a CSO?

- Costs of the notarial verification of the founding documents and/or application form (*petition);*
- Costs of the notarial verification/official certification of the copies of the documents submitted to the registrar.

How long should the registration process take?

The relevant laws do not provide any specific timeframe for registration. However, in practice, the application is generally reviewed within 5 working days.

Which documents are required for registration?

Non-profit association:

- *Application form* (Petition), containing information specified in Article 10 of the Non-profit Associations Act, submitted and signed by all members of the management board and notarised;
- *Founding document* (Memorandum of association) the content is regulated in Article 6 of the Non-profit Associations Act signed by all founders (at the time of registration it shall not be more than 1 year old);
- *Statutes* (Articles of association) the content is regulated in Article 7 of the Non-profit Associations Act signed by all founders;
- *Telecommunication numbers* (telephone, facsimile, etc.);
- *Other documents stipulated by law.*

Foundation:

- *Application form* (Petition), containing information specified in Article 14 of the Foundations Act, submitted and signed by all members of the management board and notarised;

- *Founding document* (Resolution) the content is regulated in Article 6 of the Foundations Act, shall be signed by all founders and notarised. Foundation may be established also on the basis of a notarised testament containing foundation resolution with the same information;
- *Statutes* (Articles of association of a foundation), shall be in writing, the content is regulated in Article 8 of the Foundations Act. It shall be signed by all founders and notarised;
- *Bank confirmation about transfer of the money to the foundation stipulated in the Resolution;*
- *Telecommunication numbers* (telephone, facsimile, etc.);
- *Extract from the land register or other register* if an immovable or movable property subject to a registration is transferred to the foundation;
- Other documents stipulated by law.

All the documents submitted shall be originals, notarised copies or officially certified copies. Officially certified copies may be electronic with a digital signature of the person or a digital seal of the agency certifying the copy.

? Is electronic submission possible?

Yes, but foundations must always submit via notary.

? Is there a requirement to have an office in the country? Are there any specific requirements related to it?

Non-profit association & Foundation: No office is required. The law expects only an address where the management board can be contacted.

? Are there additional requirements related to registration?

Non-profit association: There are requirements related to the name of the association: (1) it shall have only one name; (2) it shall be written in Estonian, with Latin alphabet; (3) it shall have an appendix in Estonian referring to the fact that it is an association of persons; (4) it shall not be contrary to good morals.

Foundation: Requirements with regard to the name of the foundation are following: (1) it shall have only one name; (2) it shall be written in Estonian, with Latin alphabet; (3) it shall not be contrary to good morals.

? Are there additional administrative procedures related to registration?

Non-profit Association: No.

Foundation: Opening a bank account, if founders transfer money to the foundation.

What are the legal grounds for denial of registration?

The registrar shall refuse the registration if the founding document (resolution), articles of association (statutes) or other documents do not comply with the requirements set by laws or if the petition for entry in the register is submitted after more than one year from the effective date of a founding document. Upon rejection, the registrar shall indicate the reason for it.

4. Sources of funding

What are the possible sources of funding?

Available sources of income include:

- State funding (on both national and local level);
- Donations from domestic and foreign individuals and legal entities;
- Income from lotteries, charity events or collections;
- Membership fees;
- Funding from corporate foundations and/or endowment fund;
- Income from economic activities;
- International and EU funding mechanisms;
- Income from service charges and legacies.

What are the restrictions on the possible sources of funding?

Non-profit association: Economic activities cannot be main statutory activities of the association and the income earned from them may be used only to achieve objectives specified in the organisation's statutes (articles of association). If this is not respected, an association may be dissolved by a court ruling.

Foundation: Restrictions are described under Article 2 of the Foundations Act. Restrictions on economic activities may be provided by law. Foundation may not grant loans or secure loans of founders or members of the management board or supervisory board or other persons with economic interest. The income may be used only to achieve statutory goals.

5. Tax treatment of CSOs

What is the income tax treatment of CSOs?

CSOs as well as other legal entities do not pay the income tax if the profit is not shared but used for the organisations' statutory purposes.

What is the VAT treatment of CSOs?

VAT exempt from the general 20% VAT rate if the annual turnover from the supply of non-exempt goods or services does not exceed EUR 16,000. VAT shall not be imposed on the supply of services provided by a non-profit association to its members free of charge or for a membership fee and services provided by a non-profit association or foundation to natural persons relating to the use of sports facilities or sports equipment.

Are there any tax benefits for donors in place?

Yes, for donations to non-profit association or foundation with public benefit status. For *individual donors* donations of the value up to the 5% of the donor's total income but not more than EUR 1,920 in total can be deducted. For *corporate donors* the total amount of donations may not exceed either 3% of the payments made during the year to the salary fund or 10% of the calculated profit of the latest fiscal year.

6. Obligations of a registered CSO

What are the reporting requirements of a registered CSO?

Non-profit association: Obligation to submit an annual report after the end of the financial year, even if the association did not conduct any economic activities. The report shall be audited if the non-profit association has an auditor or audit committee. The report shall be approved by the general meeting and submitted electronically to registrar. If the association fails to submit the report within 6 months and the additional time period given by the registrar it may be liquidated and deleted from the register (Article 36 of the Non-profit Associations Act).

Foundation: Obligation to submit an annual report after the end of the financial year. The report shall be audited if the audit is obligatory according to the law (if revenue or assets exceed EUR 15,000), statutes or resolution of the supervisory board. The report shall be approved by the supervisory board within 4 months and submitted electronically to registrar. If the foundation fails to submit the report within 6 months and the additional time period given by the registrar it may be liquidated and deleted from the register (Article 3 of the Foundations Act).

Are there additional obligations of a registered CSO?

- Obligation to register as a VAT taxpayer if the annual turnover from the supply of non-exempt goods or services exceeds EUR 16,000.
- Non-profit associations and foundations that have public-benefit status must also submit a report on their public-benefit activities to the Tax and Customs Board.

7. Internal governance of the organisation

What are the basic requirements related to the governance and internal structure as provided by law?

Non-profit association: The bodies of a non-profit associations include:

a) *General meeting* of association's members: Supreme body, which supervises other bodies of the association; adopts resolutions on all management matters except of those designated to management board or other bodies of the association. Its competences include: amending the statutes, appointing and removing from the office members of the management board, approving annual reports, adopting decisions about dissolution, merger or division of the non-profit association and other competences. The resolutions are adopted with standard majority vote or absolute-majority when the statutes are being amended. The 9/10 vote majority is required for changing the statutory purpose of the association (Articles 18 to 25 of the Non-profit Associations Act).

b) *Management board:* manages and represents the association, could be one member (director) or be a collegial body. A member shall be appointed for 3 years, statutes may prescribe the term of max. 5 years. Every member of the management board has a right to conclude transactions on behalf of the association, unless otherwise provided by law. Management board may adopt a resolution, when one half of the members is present at the meeting unless otherwise prescribed by statutes (Articles 26 to 30 and Article 32 of the Non-profit Associations Act).

c) Other bodies designated by statutes to perform specific tasks (Article 31 of the Non-profit Associations Act).

Foundation: The bodies of a foundation include:

a) *Management board:* manages and represents the foundation, may be composed of one or several members. Management board shall perform its tasks in compliance with the lawful orders of the supervisory board. Every member of the management board has a right to conclude transactions on behalf of the foundation, unless otherwise provided by law. Transactions beyond the scope of everyday economic activities require the consent of the supervisory board (Articles 17 to 23 of the Foundation Act).

b) *Supervisory board:* composed of min. 3 members, supervisory board shall plan the activities of the foundation, organise the management of the foundation and su-

pervise the activities of the foundation. It shall approve transactions which are beyond the scope of everyday economic activities- described under Article 25 par. 1 of the Foundations Act. It has a right to obtain and demand information about the activities of the foundation from management board. The meetings of the supervisory board shall be held as necessary, not less frequently than once a year, called by the chairman, with at least one half of the members present for the decision making (Articles 24 to 32 of the Foundations Act).

Are there any eligibility requirements to the members of the governing bodies?

Non-profit association: Members of the management board shall be natural persons with full legal capacity. A person prohibited by a Court decision to act as a member of the management board, person prohibited to engage in the same area as the non-profit association, or a person who is prohibited to act as a member of the management board on the basis of law or a court decision shall not be a member of the management board. Member of the management board shall not be a controller (or member of the audit committee if there are several controllers). The residence of at least one-half of the members of the management board must be in Estonia or other Member State of the European Economic Area or in Switzerland.

Foundation: In addition to what has been said for associations, a member of the management board cannot be at the same time member of the supervisory board. Also, the statutes may prescribe additional eligibility requirements.

Are foreign citizens allowed to serve on the board?

Non-profit association & Foundation: Yes, eligibility requirements with regard to the residency are applied only to the management board members of both CSO forms. Management board of a CSO in Estonia is an executive/managing body of the organisation and not the supervisory body as usually understood under the term "board".

Are founders and members financially liable by law?

Non-profit association: Different liability rules apply to the persons acting on behalf of the association according to the status of the association- prior the establishment/before entering to the register/after entering the register: (1) Liability of founders and members of the management board upon establishment of a Non-profit Associations — *Article 10 of the Non-profit Associations Act*; (2) Liability of persons that entered into transaction before the registration of an association — *Article 11 of the Non-profit Associations Act;* (3) Liability of a member of the management board or other body — *Article 32 of the Non-profit Associations Act.*

Foundation: (1) Liability of founders and members of the management board and supervisory board upon establishment of a foundation — *Article 13 of the Foundations Act*; (2) Liability of a member of the management board — *Article 23 of the Foundations Act;* (3) Liability of a member of the supervisory board — *Article 32 of the Foundations Act.*

Members of the management board and supervisory board shall perform their obligations with the due diligence, in accordance with what is normally expected from persons in their position. They are solidary liable for damages caused to the organisation.

8. Staff and members of the organisation

Are there any eligibility requirements of the staff and members of a CSO?

Non-profit Association: Requirements for the members should be prescribed by the statutes (articles of association).

Foundation: No.

Is there a requirement to have a full-time employee?

No.

Is there a requirement to have an accountant?

The management board shall organise the accounting in compliance with the Accounting Act, however there is no obligation to have an employee- accountant to perform this task.

9. Voluntary dissolution and liquidation

What is the liquidation procedure in case of voluntary dissolution of a CSO?

Non-profit association & Foundation: A non-profit association and foundation are liquidated upon dissolution unless otherwise provided by law. During the liquidation procedure *"likvideerimisel"* (in liquidation) should be appended to the organisation's name. The liquidators are members of the management board unless otherwise prescribed by the statutes or resolution of the general meeting in case of non-profit association. At least half of the liquidators should be residents of Estonia. The management board shall submit a petition for entry of the first liquidators in the register.

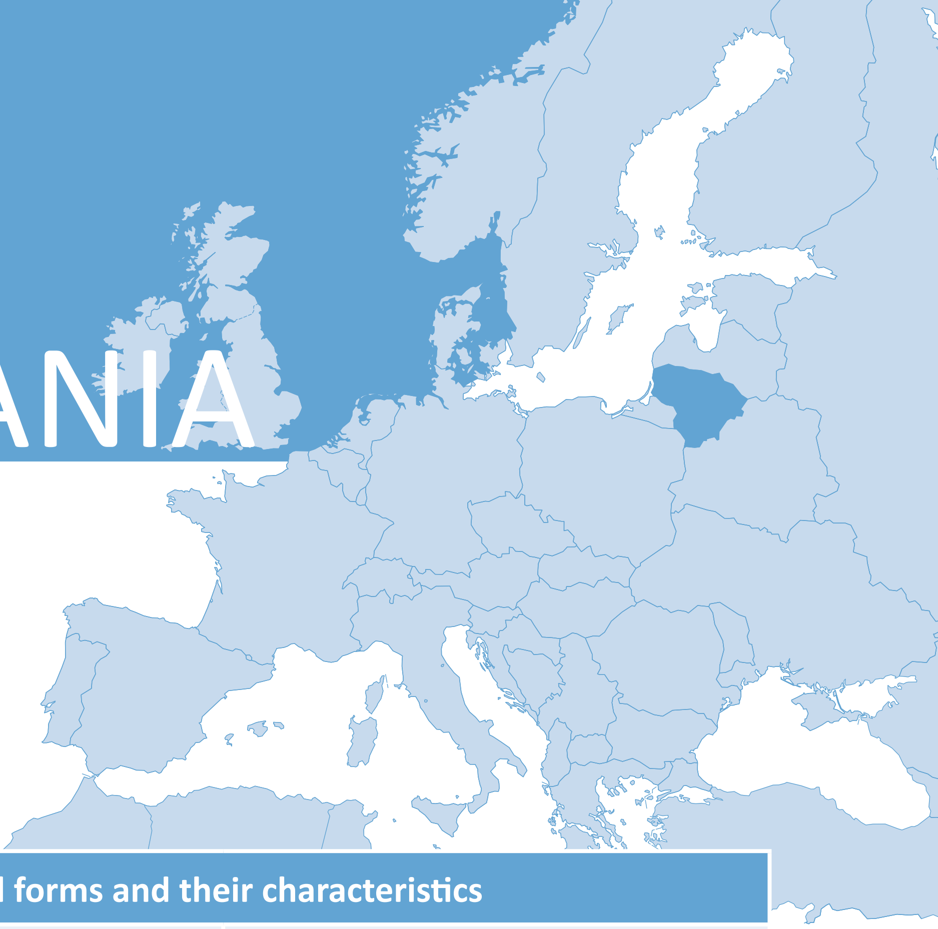
Liquidation procedure:

- Liquidators shall publish a notice of the liquidation proceeding in the official publication *Ametlikud Teadaanded* and send a notice of liquidation to the known creditors.
- Creditors may submit their claims within a two months period.

- If the assets of a non-profit association/foundation are insufficient the liquidators shall submit a bankruptcy petition.
- If all the claims are satisfied the remaining assets shall be distributed among the persons entitled by the statutes and liquidators shall submit a petition for deletion of the non-profit association/foundation from the register.

The liquidation procedure for non-profit associations is described under Articles 42 to 54 of the Non-profit Associations Act and for foundations under Articles 48 to 59 of the Foundations Act.

In case of CSOs with public benefit status the assets remaining after satisfaction of the claims of the creditors must be transferred to an association entered in the *list of non-profit associations and foundations benefiting from income tax incentives or to a legal person in public law.*



LITHUANIA

General information*

- Capital: Vilnius
- Population: 2.956 million
- GDP: $45.93 billion

CSO legal forms and their characteristics

Civic Association

- General membership based CSO form, chosen when a large number of members or volunteers is anticipated with the intention to pursue common goals.
- The association is also preferred when several legal entities intend to pursue common goals.

Public Institution

- Combination of membership and non- membership based organisational form, active in the provision of public benefit services.

Charity and Sponsorship Foundation

- Non-membership based form, created to gather financial assets and redistribute them according to the statutory purposes.
- Stronger role of the founder or manager, employees just implement their decisions.

Key CSO laws

- Law No. IX-1969/2004 on Associations;
- Law No. I- 1428/1996 on Public institutions;
- Law No. I- 1232/1996 on Charity and sponsorship foundation;
- Law No. XII-717/2013 on Development of Nongovernmental Organisations.

* Source: World Bank, 2013.

1. Existing forms of CSOs and their characteristics

What forms of CSOs exist? What are their main characteristics?

The existing CSO forms include: **Association** *(Asociacija)*, **Public institution** *(Viešoji įstaiga)*, and **Charity and sponsorship foundation** *(Labdaros ir paramos fondas)* as described above. For the purposes of this Handbook we will provide information on Association, Charity and sponsorship foundation and Public institution.

Are there any restrictions on the permissible goals and activities of CSOs?

Association: Association's purpose set by law (Article 3 of the Law on Associations) is to coordinate the activities of its members, represent them, protect their interests or satisfy other public interests. Association cannot engage in:

a) overthrowing or changing the constitutional order of the Republic of Lithuania or damage the integrity of the Republic of Lithuania;

b) promoting war and violence, authoritarian or totalitarian regime, inciting racial, religious, social strife, violation of human rights and other legal freedoms;

c) carrying out actions that are contrary to the laws of the Republic of Lithuania and universally recognised norms of international law, to act in the interests of other countries, if they are contrary to the interests of the Lithuanian state.

Charity and sponsorship foundation: Charity and sponsorship foundation (hereinafter — foundation) is a public legal entity of limited liability, gathering assets and redistributing them to those in need. The main goal of a foundation is to provide charitable contribution and/or sponsorship, or other form of help in accordance with the Law on charity and sponsorship of the Republic of Lithuania (hereinafter — Charity and sponsorship law) particularly in the area of science, education, culture, art, religion, sports, health protection, social care and treatment, environment protection and other public beneficial purposes without the intention of gaining profit.

Public institution: Public institution is a non-profit limited liability legal entity with a purpose to satisfy public interest in the areas of education, training and scientific, cultural, health, environment and sports development, social or legal aid as well as other public benefit issues. The activities of a public institution shall be in compliance with its articles of association, Civil Code and other laws and legal acts (Article 2 of the Law on Public institutions).

2. Requirements on the founders of a CSO

What is the minimum number of founders required by law?

Association: 3.

Charity and sponsorship foundation: 1.

Public institution: 1.

What are the eligibility requirements for founders? Are foreign citizens allowed to serve as founders?

No eligibility requirements, both individuals and/or legal entities, regardless the country of origin may serve as founders.

Are there any property or cash contribution requirements for the founders?

Association: No.

Charity and sponsorship foundation & Public institution: The law stipulates that founders are obliged to transfer some amount of money or other form of assets to the organisation after its establishment, without specifying the exact sum.

3. Registration procedure

Which authority is responsible for the registration?

Register of legal entities, which is a division of the main registration authority called Center of Registers.

What is the registration fee?

Association & Charity and sponsorship foundation: EUR 26.

Public institution: EUR 31.

Are there any other direct financial costs of the establishment of a CSO?

- *Notary fees* for verification of association's founding documents (EUR 43–EUR 130 depending on the number of founders); foundations are exempt from this fee.

- *Reservation of the name of the organisation* – EUR 16 not obligatory, but highly recommended because the organisation might be refused registration due to the non-compliance with the Lithuanian language rules. If this is the case, then the organisation must pay again the notarial costs for changing the founding documents.

How long should the registration process take?

Article 2.64 par. 3 of the Civil Code stipulates that after submission of the documents to the Register of legal entities and payment of fees, the registration authority shall register the organisation within 3 days. Nevertheless, there are cases when the procedure can take up to 6 months.

Which documents are required for registration?

Association:

- *The Statutes*; the content is regulated in Article 12 of the Law on Associations;
- *Minutes of the Statutory Meeting*; the founding meeting where the statutes are adopted and the executive body is appointed;
- *Founding Act*; the content is regulated in Article 5 of the Law on Associations;
- *Application form for registration*;
- *Owner's approval if the organisation's premises do not belong to any of its founders*;
- *Duty stamps or payment confirmation*;
- *Certificate of the authenticity of the documents and proof of compliance of the documents with the national legislation.*

Charity and sponsorship foundation:

- *The Statutes*; the content is regulated in Article 14 of the Law on Charity and sponsorship foundations;
- *Minutes of the Statutory Meeting*; from the constitutive meeting where the statutes are adopted and the executive body is appointed
- *Founding Act*; the content is regulated in Article 5 of the Law on Charity and sponsorship foundations;
- *Application form for registration*;
- *Owner's approval if the organisation's premises do not belong to any of its founders*;;
- *Duty stamps or payment confirmation*;
- *Certificate of the authenticity of the documents and compliance of the first three documents with the national legislation.*

Public institution:

- *The Statutes*; the content is regulated in Article 6 of the Law on Public institutions;
- *Minutes of the Statutory Meeting*; the founding meeting where the statutes are adopted and the executive body is appointed;

- *Founding Act*; the content is regulated in Article 5 of the Law on Public institutions;
- *Application form for registration*;
- *Owner's approval if the organisation's premises do not belong to any of its founders*;
- *Duty stamps or payment confirmation*;
- *Certificate of the authenticity of the documents and proof of compliance of the documents with the national legislation.*

Is electronic submission possible?

Yes.

Is there a requirement to have an office in the country? Are there any specific requirements related to it?

The organisation must have an office in Lithuania; owner's approval about the registration of the office in his/her premises must be presented to the notary together with all other registration documents. For the registration of the office on the premises of other legal entity, such as company or municipality, a signed consent of the owner is sufficient, there is no obligation to get a notary approval.

Are there additional requirements related to registration?

No.

Are there additional administrative procedures related to registration?

Association must:

- obtain a tax number at the Tax Administration office.

Charity and sponsorship foundation & Public institution must:

- obtain a tax number at the Tax Administration office;
- open a bank account in a bank operating in Lithuania.

What are the legal grounds for denial of registration?

The general grounds for denial of registration applicable to all legal entities are described under Article 2.68 of the Civil Code:

- the application for registration fails to conform with the specific type of legal entity or not all the documents required by Law (see above) are produced;
- the incorporation documents were not filed at the registration authority within 6 months from the day when they were drafted. Unless there are other laws that provide different time limit, these documents are deemed to be void;

- data and documents produced to the registration authority are not in conformity with one another, are vague or misleading;
- form or content of the documents fail to conform to the requirements provided for by law.

The additional grounds applicable only to CSOs are when the organisation's purposes or goals are not in compliance with what is set for them by Law on Associations and Law on Charity and Sponsorship Foundation.

4. Sources of funding

What are the possible sources of funding?

- Available sources of income include:
- State funding (on both national and local level);
- Donations from domestic and foreign individuals and legal entities;
- Membership fees;
- Funding from corporate foundations and/or endowment fund;
- Income from economic activities;
- International and EU funding mechanisms;
- Income from service charges and legacies.

Individuals may allocate 2% of their income tax to the approved public benefit CSOs.

What are the restrictions on the possible sources of funding?

None.

5. Tax treatment of CSOs

What is the income tax treatment of CSOs?

CSOs are generally exempt from income tax for statutory activities. Up to EUR 7,250 income from the non-statutory economic activities are tax exempt. Any income exceeding EUR 7,250 is taxed at a regular rate of 15%.

What is the VAT treatment of CSOs?

Social services and services in the fields of healthcare, education, culture, and sports, as well as services provided by CSOs to their members and income generated during charity events are exempt from VAT. To the rest, a general VAT rate of 21% applies.

Are there any tax benefits for donors in place?

Yes, but only for corporate donors. They can deduct double the amount of the donation and up to 40% of taxable income from their taxable income.

6. Obligations of a registered CSO

What are the reporting requirements of a registered CSO?

Association:

- Activity report together with the financial statement must be submitted annually to the Register of legal persons. The obligatory content of the report is described in Article 10 (2) of the Law on Associations.

Charity and sponsorship foundation:

- Activity report together with the financial statement must be submitted annually to the Register of legal persons. The obligatory content of the report is described in Article 12 of the Law on Charity and sponsorship foundations. According to Article 11 of the respective Law, Charity and sponsorship foundations shall also undergone regular audit and internal control, regulated by its statutes.

Public institution:

- Activity report together with the financial statement must be submitted annually to the Register of legal persons. The content of the activity report is described in Article 12 of the Law on Public institutions. The financial statement shall be audited when the *General meeting of shareholders* decides so.

Financial statement must be submitted to tax authorities and shall contain following:

- financial documents;
- declaration (PLN204N form);
- report on utilisation of the financial resources for the public benefit purposes, or narrative report if no activities have been implemented;
- real estate declaration (FR0572 v.4 form);
- information on received donations and their utilisation.

Are there additional obligations of a registered CSO?

Yes, state authority responsible for the social issues State Social Insurance Fund Board (SODRA) shall be informed about all new employees, maternity/paternity leaves, termination of contracts etc.

7. Internal governance of the organisation

What are the basic requirements related to the governance and internal structure as provided by law?

Association: Two mandatory bodies are:

- **a)** *General assembly of members*, the supreme body of the association; its competences include: election and appointment of the members of the executive body and member of other bodies, decisions on amendment of the founding documents or reorganisation of the association, approval of the financial statements and others (Article 8 of the Law on Associations);
- **b)** *Executive body* (single or collegial), represents the organisation in public, enters into contracts with third persons, hires and dismisses employees and members of the management and other collegial bodies (Article 8 of the Law on Associations).

Other bodies such as *Revision commission* are optional, their rights and duties are set by statutes.

Charity and sponsorship foundation: Two mandatory bodies are:

- **a)** *General meeting of shareholders;* the supreme body of the foundation, its competencies include: election and appointment of the members of the Board and the executive body, amendment of the statutes, approval of annual financial statements and other (Article 8 of the Law on Charity and sponsorship foundations);
- **b)** *Executive body* (single or collegial); acts on behalf of the foundation, maintains relationships with other people, executes transactions on behalf of the foundation (Article 9 of the Law on Charity and Sponsorship foundations).

Supervisory bodies, *Board or Revision commission*, are optional.

Public institution: Mandatory bodies are:

- **a)** *General meeting of shareholders;* a supreme managing body; its competencies include: to amend the statutes, determine the fees and charges for services, work and production if they are not determined by the Government, appoint and remove from the office the head of administration, approve the financial statement and others (Article 10 of the Law on Public institutions),
- **b)** *Administration;* it shall organise and implement the operations of public institution (Article 10 of the Law on Public institutions).

Collegial governing bodies such as *Board* or *Council* are optional.

All organisations have a right to decide how often their bodies meet, but they are obliged to meet at least once a year. Organisations decide how the decisions are made, usually it's by a popular majority principle, but decisions on organisations reorganisation or dissolving the organisation shall be adopted only when at least 2/3 members are supporting it).

Are there any eligibility requirements to the members of the governing bodies?

All have to be over 18 years of age and have a full legal capacity.

Are foreign citizens allowed to serve on the board?

Yes.

Is a financial responsibility of the founders and members of the governing bodies regulated by law?

Only for intentional acts against organisation or violation of legal provisions. Each organisation (public institution, association, charity and sponsorship foundation) has its own laws. These laws regulate responsibilities of the governing bodies. Also some taxation laws regulate responsibilities of the governing bodies.

8. Staff and members of the organisation

Are there any eligibility requirements to the staff and members of a CSO?

All must be over 18 years of age and have a full legal capacity. Children's associations have an exception- members can be younger; children that are under 14 years of age need a written consent of their parents or legal guardians.

Is there a requirement to have a full-time employee?

No.

Is there a requirement to have an accountant?

No.

9. Voluntary dissolution and liquidation

What is the liquidation procedure in case of voluntary dissolution of a CSO?

In case of dissolution of a CSO, governing body must adopt a decision and submit it to the Register of legal entities. The liquidation procedure is regulated under Civil Code (Article 2.70.) and specifically for each organisational form in their separate laws.

Association: The association is obliged to meet all creditors' requirements in the manner prescribed by law and members' requirements regarding their part of the assets of the association, without exceeding the initial contribution of a member or the membership fee. All the remaining assets and funds shall, prior to the removal of the association from the Register of Legal Entities, be transferred to another or other public legal persons who are designated by a general meeting of members or the court (Article 17 of the Law on Associations).

Besides the general requirements laid down by the Civil Code, the liquidator has to:

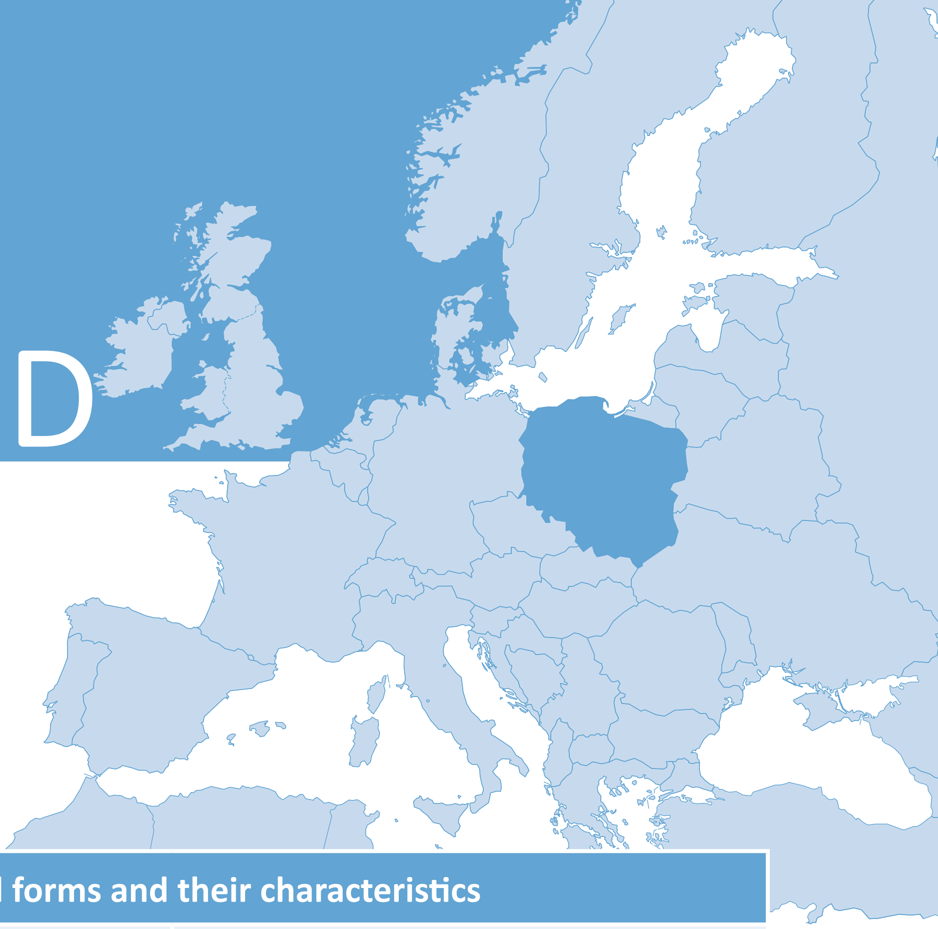
- publicly announce the liquidation of the association and submit to the Register of Legal Entities the documents confirming the decision to liquidate the association as well as its data;
- make a balance at the beginning of the period of liquidation;
- transfer the remaining assets of the association in accordance with the procedure laid down by this Law;
- draw up an act of liquidation of the association. An act of liquidation of the association shall describe the process of liquidation and confirm that all liquidation-related actions have been carried out;
- transfer the documents for retention in accordance with the procedure laid down by the Law on Archives;
- submit to the manager of the Register of Legal Entities an act of liquidation of the association and other documents necessary to remove the association from the Register.

Charity and sponsorship foundation: The Law on Charity and Sponsorship foundations refers to the procedure in the Civil Code. In addition, the conditions set up for the liquidator in the Law on Associations apply here as well.

Public institution: If the public institution decides to go through liquidation, the general meeting shall appoint a liquidator. From the effective day of appointment of the liquidator, the other bodies of the public institution lose their powers. The liquidation of a public institution shall be made public three times, with an interval of at least 30 days in between, or by giving written notice to all public institutions in written form. It shall contain information specified in Article 17 (8) of the Law on Public institutions. The rights and duties of the liquidator are described in Article 18 of this Law.

Conditions of registration and administration of CSOs in Lithuania are available at www.ngoin.lt

POLAND



General information*

- Capital: Warsaw
- Population: 10.52 million
- GDP: $198.4 billion

CSO legal forms and their characteristics

Association

- General membership based organisation, which can be established by 15 Polish citizens with full legal capacity. Simple Association is a simplified membership based organisational form, established by 3 persons, but without legal personality.

Foundation

- General non-membership organisational form created to gather the financial assets. The initial capital of PLN 1,000 (EUR 248) is required only in case the foundation plans to engage in economic activities.

Key CSO laws

- Law on Associations from April 7, 1989;
- Law on Foundations from April 6, 1984;
- Law on Public Benefit and Volunteer Work from April 24, 2003;
- Law on Economic Activities from 21 August, 2004;
- Law on Corporate Income Tax;
- Law on Value Added Tax.

* Source: World Bank, 2013.

1. Existing forms of CSOs in Poland and their characteristics

What forms of CSOs exist in Poland? What are their main characteristics?

The existing CSO forms include: **Association** *(stowarzyszenia)* with a possibility to establish "**Simple association**" and **Foundation** *(fundacja)*. For the purposes of this Handbook we will provide information on basic association and foundation.

Are there any restrictions on the permissible goals and activities of CSOs?

Association: Association is free to determine its goals and activities. Restrictions might be imposed by other laws, when it is necessary to protect national security or public order, or to protect public health, morality or the rights and freedoms of other persons.

Foundation: Foundations may be established for socially or economically useful purposes, which are in compliance with the general interests of the Republic of Poland. These purposes include health protection, advancement of the economy and science, education, literacy, culture, art, social services, environmental protection and protection of historical landmarks.

In addition, association and foundation may obtain ***public benefit status*** upon fulfilling conditions prescribed by *Law on Public Benefit and Volunteer Work*. CSOs with public benefit status have a limited scope of permissible activities. They shall perform work for the benefit of public and society within the publicly assigned tasks enumerated under Article 4 of the *Law on Public Benefit and Volunteer Work*. On the other hand, there are various benefits arising from the status.

2. Requirements on the founders of a CSO

What is the minimum number of founders required by law?

Association: 15.

Foundation: 1.

What are the eligibility requirements for founders? Are foreign citizens allowed to serve as founders?

Association: Associations can be established by individuals: Polish citizens or foreigners with domicile in Poland and with full legal capacity. Legal entity can only be a supporting member of an association.

Foundation: Any individual and/or legal entity is allowed to establish a foundation regardless of the citizenship or domicile. At least one individual shall have full legal capacity.

Are there any property or cash contribution requirements for the founders?

Association: No.

Foundation: No. The initial capital of PLN 1,000 (EUR 240) is required only in case a foundation plans to engage in economic activities.

3. Registration procedure

Which authority is responsible for the registration?

Association & Foundation: Department of the National Court determined by the location of the organisation's seat.

What is the registration fee?

Association: Associations are exempt from entry fees. They have to pay only for modification of the registration in the amount of PLN 150 (EUR 36) and removal from the register PLN 300 (EUR 72).

Foundation: Foundations have to pay PLN 250 (EUR 60) for entry to the register, PLN 150 (EUR 36) for modification of the registration and PLN 300 (EUR 72) for the removal from the register.

Organisations with public benefit status are exempt from paying duty stamps and court fees.

Are there any other direct financial costs of the establishment of a CSO?

Association & Foundation: If an organisation wants to engage in economic activities, it has to register in the registry of companies at the National Court Register, which costs PLN 600 (EUR 144).

In addition, foundations have to pay fee for the notarial deed. The notarial fee is determined in accordance with the value of the foundation's initial capital.

Poland

How long should the registration process take?

Association & Foundation: Court has 7 days from the date of submission to process the application. In case of associations, the registration period is extended up to 3 months due to the engagement of local authorities in the registration process.

Which documents are required for the registration?

All the forms for the requested documents are available on the official website of the Ministry of Justice.

All documents submitted to the registration authority must be originals or notary verified copies.

Association:

- *Statutes* signed by the founding committee, the content is determined in Article 10 of the *Law on Associations* (two copies);
- *List of founders* containing each founder's first name, last name, date and place of birth, present address and signature (two copies);
- *Protocol of founding committee meeting* signed by the chairman and secretary of the meeting (two copies);
- *Written consent (authorization)* of a person/people appointed to the board;
- *Motion for registration* (application form).

In addition, if an association wants to engage in economic activities it has to submit also: proof of payment for the application for entry in the register of companies and proof of payment for the notification of the Economic Court.

Foundation:

- *Declaration of the establishment of a foundation* (a notarial deed) — one copy;
- *Statement indicating the competent minister for supervision*, if it has not been included in the declaration of the establishment- one copy;
- *Resolution of appointment of the governing bodies*, which establishes a board of trustees and creation of the foundation's council — one copy;
- *Statutes* signed by a founder — three copies;
- *Proof of payment of the registration fee;*
- *Written consent (authorization) of a person/people appointed to the board;*
- *Motion for registration* (application form).

Is electronic submission possible?

Association & Foundation: Yes, with a secure electronic signature.

Is there a requirement to have an office in the country? Are there any specific requirements related to it?

Association & Foundation: There is an obligation to have a mailing address with the document proving the right to use the premises from the owner. The mailing address is precondition for obtaining the tax identification number.

Are there additional requirements related to registration?

Association & Foundation: Both organisations need a bank account for carrying out any economic transaction, although it is not expressly stipulated by law. In addition, opening a bank account is required when applying for a tax identification number.

Are there additional administrative procedures related to registration?

- After the registration the organisation automatically receives *REGON identification number* (*Numer identyfikacyjny REGON*) and *tax identification number* (*Numer identyfikacji podatkowej NIP*);
- Within 21 days from the registration, the organisation has to submit an application form with supplementary data to the fiscal authorities;
- If an association or a foundation wants to engage in economic activities, it is obliged to register in the Registry of companies and notify the National Court Register;
- Both organisations may need bank account for carrying out any economic transaction, although it is not expressly stipulated by law.

What are the legal grounds for denial of registration?

Association & Foundation: The registration authority denies registration if the statutes or the purpose of the organisation are not in compliance with the law.

4. Sources of funding

What are the possible sources of funding?

Association: Article 33, 34 and 35 of the *Law on Associations* list the possible sources of income:

- Membership fees;
- Donations;
- Legacies;

- Income generating activities;
- Income from rent of association's property;
- Income from public generosity;
- Economic activities;
- Grants.

Foundation: Available sources of income include:

- State funding (on both national and local level);
- Donations from citizens and foreign individuals and legal entities;
- Funding from corporate foundations and/or endowment fund;
- Income from economic activities;
- International and EU funding mechanisms;
- Income from service charges and legacies.

Additionally, ***CSOs with public benefit status*** can receive funding from 1% *tax designation mechanism*; (1% income tax designated by individual taxpayers).

What are the restrictions on the possible sources of funding?

Association: Association is allowed to engage in economic activities, but proceeds must be directed to its statutory purposes and may not be shared among its members.

Foundation: Foundation is allowed to engage in economic activities to the extent serving to accomplish its purposes.

5. Tax treatment of CSOs

What is the income tax treatment of CSOs?

The income tax treatment is decided based on the destination of income/utilisation purpose of the assets. Tax exempt are the profits devoted for the objectives listed under Article 24 (1) of *the Law on Public Benefit and Volunteer Work*. In addition, there is an income tax exemption for organisations with the statutory objectives listed under Article 17 (1), (4), (5) of *the Corporate Income Tax Law*. Other income is taxed at a general rate of 19%. CSOs are not subject to inheritance and donation taxes.

What is the VAT treatment of CSOs?

Certain goods and services are exempt from VAT. The full list is included in Article 43 of *the Law on Value Added Tax*. Goods/services which are not part of the list are subject to VAT. Grants provided to a CSO to pursue its statutory activities are exempt. General VAT rate is 23%.

Are there any tax benefits for donors in place?

Both individuals and legal entities can deduct certain donations to ***an organisation conducting public benefit activities*** in accordance to the *Law on Public Benefit and Volunteer work*, regardless of whether the organisation holds a public benefit status. Individuals may deduct up to 6% and legal entities up to 10% of their taxable income from their tax base.

6. Obligations of a registered CSO

What are the reporting requirements of a registered CSO?

Association: Annual financial report has to be submitted to the National Court Register.

Foundation: Obligation to submit an annual activity and financial report to the appropriate minister, as designated by the registry court, typically minister whose competencies are close to the foundation's purpose. The scope of the report is determined by the Minister of Justice. The annual activity report of a foundation shall be public.

Are there additional obligations of a registered CSO?

Additional reporting requirements:

- Annual financial statement has to be submitted together with the annual tax report to the fiscal authorities;
- When conducting economic activities, an organisation has to submit annual financial report to the Register of companies;
- If ***an organisation has a public benefit status***, it must submit a separate report to the Ministry of Social Policy in accordance with the ministry's requirements (Article 23 of *the Law on Public Benefit and Volunteer Work*) – both financial and activity report;

In addition, organisations engaged in economic activities are obliged to undergo an audit if two or three of the following provisions are met: (1) more than 50 employees; (2) total assets in the balance sheet at the end of the fiscal year is more than PLN 2.5 million (EUR 603,000); (3) net revenues from the sale of goods and services for the fiscal year exceeds PLN 5 million (EUR 1.2 million). The audit opinion shall be attached to the reports submitted to the fiscal authorities and National Court Register. Also, ***an organisation with public benefit status*** must to undergo an audit if it is contracted by the state to perform public tasks, receives from the state at least PLN 50,000 (EUR 12,000) for this purpose and its annual revenue exceeds PLN 3 million (EUR 724,000).

7. Internal governance of the organisation

What are the basic requirements related to the governance and internal structure as provided by law?

Association: The supreme decision making authority is the *general assembly of the association's members*. General assembly decides upon all matters except those that are vested in other bodies by the statutes. The statutes may also provide for *delegate assembly* instead of a general assembly. Other compulsory bodies of an association are: *board* and *internal auditing body*. The manner of the decision-making and the rights and duties of the bodies shall be specified in the statutes.

Foundation: The only compulsory body is a *governing body* that manages and represents a foundation. The rights and duties of this body and the manner of how its members are elected is at the discretion of the founder and must be described in the foundation's statutes. The supervisory body is optional.

In addition, ***CSOs with public benefit status*** shall have a statutory collegiate audit or supervision body, separate from the management body and not reporting thereto within the scope of internal audit or supervision.

Are there any eligibility requirements to the members of the governing bodies?

Association: Majority of board members must be persons with a full legal capacity.

Foundation: No special requirements prescribed by law.

In case of ***organisations with public benefit status***: they must have a statutory collegiate audit or a supervision body whose members must be separate from those in the managing body, they shall not be relations, next of kin, or employment subordinates of members of the managing body. They also shall not have been convicted by virtue of a final court judgement for any crime involving intentional fault (Article 20 par. 6 of the *Law on Public Benefit and Volunteer Work*).

Are foreign citizens allowed to serve on the board?

Association & Foundation: Yes, provided that the statutes do not prohibit it.

Are founders and members financially liable by law?

Association & Foundation: There is a financial liability of board members if a CSO does not pay taxes.

Poland

8. Staff and members of the organisation

Are there any eligibility requirements of the members of a CSO?

Association: Foreigners with domicile in Poland may be members according to the same rules as citizens. Foreigners who do not have domicile in Poland may become members if the statutes provide for such a possibility.

Minors from 16 to 18 years of age without full legal capacity may be members of association and have both active and passive election rights. Minors below the age of 16 may become members of an association if this is allowed by the association's statutes and provided they obtain consent from their legal guardians. However, they have no election rights (both active and passive), they may have only election rights of an association's branch if the branch consist only of minors.

Foundation: No special requirements prescribed by law for the members.

Is there a requirement to have a full-time employee?

No.

Is there a requirement to have an accountant?

There is no obligation to have an accountant, but there is a requirement to keep the books. The book keeping can be contracted to an external accountant or an accounting company.

9. Voluntary dissolution and liquidation

What is the liquidation procedure in case of voluntary dissolution of a CSO?

Association: The liquidation procedure is described in Chapter 5 of the *Law on Associations*. When an association adopts a resolution about the dissolution, members of the board become liquidators, unless the statutes or the resolution of the last general assembly provide otherwise. The liquidator is obliged to carry out liquidation in the shortest possible time and in such a way that association's property is not unnecessarily decreased. In particular, the liquidator shall:

1) Inform the court about the commencement of the liquidation and that the liquidator has been appointed, give his/her first name, last name and address;
2) Carry out legal proceedings necessary to complete the liquidation and publicly announce the liquidation;
3) When liquidation is complete, file a motion to erase the association from the registry.

If the liquidation is not completed within one year from the commencement, the liquidator informs the court about the reasons for delay and the court may extend the time limit for liquidation or change the liquidator.

The remaining property of the liquidated association is used for the purposes given in the association's statutes or in the resolution about the dissolution taken by the general assembly. If neither of this applies, the court rules about the use of the property for a given social purpose. The costs of the liquidation are covered by the association's property or by the State Treasury if it has no property.

Foundation: The allocation of the remaining assets of a dissolved foundation shall be regulated by the statutes. If the statutes do not specify this, then the court decides, taking into account the statutory purposes of a foundation.

RUSSIA



General information*

- Capital: Moscow
- Population: 143.5 million
- GDP: $2.097 trillion

CSO legal forms and their characteristics

Public Organisation	*Fund*
• A voluntary, self-governing, non-profit formation, set up at the initiative of at least three natural persons (citizens, foreign nationals, stateless persons) who have united on the basis of the community of interests to realise common goals, indicated in the charter of the public organisation.	• A non-membership, non-profit organisation founded by citizens and (or) legal entities on the basis of voluntary assets contributions and pursuing social, charitable, cultural, educational or other socially useful purposes.

Key CSO laws

- Civil Code, First part (rev. of September 1, 2014);
- Federal Law No. 7-FZ On Non-Commercial Organisations, adopted on January 12, 1996;
- Federal Law No. 82-FZ On Public Organisations, adopted on May 19, 1995;
- Federal Law No. 121-FZ On Introducing Amendments to Certain Legislative Acts of the Russian Federation Regarding the Regulation of Activities of Non-commercial Organisations, Performing the Functions of Foreign Agents, adopted on July 20, 2012.

* Source: World Bank, 2013.

Russia

1. Existing forms of CSOs and their characteristics

What forms of CSOs exist? What are their main characteristics?

The existing CSO forms are numerous. Non-profit organisations may be created in the form of social or religious organisations (combinations), communities of the aboriginal small peoples of the Russian Federation, cossack communities, institutions, autonomous non-profit organisations, social, charitable and any other funds, organisations and unions, and also in any other forms stipulated by the federal laws. For the purposes of this Handbook we will provide information on **Public organisation** (*общественная организация*) and **Fund** (*фонд*).

Are there any restrictions on the permissible goals and activities of CSOs?

Public organisation & Fund: Public organisations and funds can carry out one or several types of activities in accordance with their statutory goals, as long as they comply with the federal laws.

Any public organisation and fund receiving funding or assets from outside of Russia and/or from Russian legal entities that have foreign financing and involved in political activities, are required to register as organisations performing functions of foreign agents. The Ministry of Justice maintains the online registry of this type of CSOs. All public communication by these organisations must have a disclaimer that the materials were prepared by an organisation performing functions of a foreign agent. Foreign agent organisations are subject to more stringent reporting requirements.

2. Requirements on the founders of a CSO

What is the minimum number of founders required by law?

Public organisation: 3.

Fund: 1.

What are the eligibility requirements for founders? Are foreign citizens allowed to serve as founders?

Public Organisation & Fund: Both physical persons and legal entities can be founders. Foreign citizens and stateless persons, who officially reside in Russia, can serve as founders.

Are there any property or cash contribution requirements for the founders?

Public organisation: No.

Fund: Founders are required to transfer some money or assets to the organisation, however, the exact amount is not specified by law.

3. Registration procedure

Which authority is responsible for the registration?

Application for registration can be submitted to a territorial division of the Ministry of Justice (one for each region of Russia). The list of territorial divisions is available at the Portal of electronic state services.

What is the registration fee?

Public organisation & Fund: 4,000 Russian roubles (EUR 60).

Are there any other direct financial costs of the establishment of a CSO?

Some documents required with the application for registration must be certified by a notary, which costs approximately 1,500 Russian roubles per document (EUR 20) and if documents are submitted by proxy, power of attorney must be certified by a notary as well (approx. 1000 Russian roubles per document or EUR 15).

How long should the registration process take?

According to the portal of electronic state services, submission through the portal will require 33 days.

Which documents are required for registration?

- *Statute* — 3 copies (one original to be returned to the founders, 2 copies certified by a notary);
- *Application form* — 2 (1 original and 1 copy certified by a notary);
- *Minutes of the statutory meeting* for **public organisations**; *Statement by the founders* for **funds**;
- Address of the official seat for the organisation;
- Registration payment slip.

Is electronic submission possible?

Yes. Through the Portal of electronic state services.
http://www.gosuslugi.ru/pgu/service/10002429292_10000015484.html#!_description

Is there a requirement to have an office in the country? Are there any specific requirements related to it?

Public organisation & Fund: Only address for correspondence or place of location is required at registration. The address can be residential (founders' address) or legal address (office edifice).

Are there additional requirements related to registration?

Public organisation & Fund: No.

Are there additional administrative procedures related to registration?

Public organisation & Fund: opening a bank account for depositing the founding capital; notifying tax office about the bank account.

What are the legal grounds for denial of registration?

According to the *Law on Non-commercial Organisations* Article 23.1., the following can be reasons for denial of registration:

- If the constituent documents of the non-profit organisation contradict the Constitution of the Russian Federation and the laws of the Russian Federation;
- If there is a non-profit organisation bearing the same name;
- If the name of the non-profit organisation insults the morality and disturbs the national and religious feelings;
- If the documents required for state registration are not provided in full, or are submitted to an improper body;
- If the person acting as the founder of the non-profit organisation may not be the founder;
- If false information had been provided in the documents submitted for state registration.

If the applicant has not corrected the above-mentioned discrepancies, the Ministry of Justice or its territorial division can deny registration.

4. Sources of funding

What are the possible sources of funding?

Public organisation:

- State support — e.g. government grants, subsidies, local authorities' subsidies;
- Foreign grants* also see the Section on limitations of possible sources of funding;
- Donations from private individuals, including crowd-funding;
- Membership fees;
- Income from statutory economic activities * also see the Section on limitations of possible sources of funding.

Fund:

- Contributions from founders;
- Donations;
- Economic activities conducted by LTDs.

What are the restrictions on the possible sources of funding?

Public organisation & Fund:

- ***Foreign agent law:*** *The Federal Law No. 121-FZ On Introducing Amendments to Certain Legislative Acts of the Russian Federation Regarding the Regulation of Activities of Non-commercial Organisations, Performing the Functions of Foreign Agents, adopted on July 20, 2012*, imposes restrictions on income received from abroad. Any non-commercial organisation (public organisations and funds) receiving funds or assets from outside of Russia and/or from Russian legal entities that have foreign financing, are required to register as organisations performing functions of foreign agents. If an organisation does not comply with the requirement of registration as a foreign agent, its activities may be suspended.
- ***Taxation of grants:*** Grants from foreign donors are subject to regular taxation, unless the grantor is included in the special list of tax-exempt donors. The current list of tax exempt donors is available online.
- ***Economic activities:*** According to the changes to the *Civil Code* on 05.05.2014, an organisation can engage in statutory income-generating activities through establishing an LTD with the starting capital of approximately 10,000 roubles (EUR 160).

5. Tax treatment of CSOs

What is the income tax treatment of CSOs?

General corporate income tax rate is 13%. Grants from foreign donors are subject to regular taxation, unless the grantor is included in the special list of tax-exempt donors. The current list of tax exempt donors includes thirteen organisations. Certain types of income, for instance, "receipts for designated purposes" shall not be included in the tax base of CSOs for the purpose of determining income tax. Article 251(2)(1) of the Tax Code specifically lists donations as one type of "receipts for designated purposes." In order for this tax benefit to apply, the NCO is "required to maintain separate accounting" for its taxable and non-taxable income and expenditures. Economic activities: NCOs are obliged to pay income tax on income generated from their economic activities in the same manner as commercial entities.

What is the VAT treatment of CSOs?

The provision of assets to a public organisation and a fund on a gratuitous basis is not subject to VAT if the assets are provided for the implementation of the CSO's statutory goals and are unrelated to any commercial operation (Tax Code Article 39(3)(3)). Donations or grants to CSOs that meet these criteria, including those from abroad, are not subject to VAT. In addition, the gratuitous provision of goods or services (with the exception of excisable goods), provided in conjunction with charitable activities, is exempt from VAT (Tax Code Article 149(3) (12)).

Are there any tax benefits for donors in place?

Only donations made by physical persons are subject to tax deductions, in the amount of up to 25% of the individual's total taxable income.

6. Obligations of a registered CSO

What are the reporting requirements of a registered CSO?

All CSOs (including public organisations and funds) must submit annually:

- *Official reporting forms OH0001*, which includes list of governing body members, and *a form of simplified annual financial report OH0002* to the Ministry of Justice;
- *Accounting reports* to the fiscal authorities.

CSOs that had no funding from foreign sources and with annual income less than over 3 mln Russian roubles (EUR 46,882) are not obliged to provide reports to the Ministry of Justice. These CSOs instead submit:

- *Official statement* that there was no funding from foreign sources and income was lower than 3 million roubles and notification on continuation of activities.

In addition, funds publish annual reports on available assets.

Are there additional obligations of a registered CSO?

Order no. 50 by the Ministry of Justice of April 16, 2013 no.50 On reporting and terms of submission to the Ministry of Justice of the Russian Federation reports by noncommercial organisations performing functions of foreign agents requires CSOs performing functions of foreign agents to submit following reports to the Ministry of Justice:

- *activity report and composition of governing bodies* according to the provided reporting form twice a year — by January 15, July 15;
- *financial report and accounting report* on the use all assets in the previous quarter, including from foreign sources, on a quarterly basis — by January 15, April 15, July 15, October 15);
- *annual auditor's report* — no later than 15 April of the year following the reporting year.

7. Internal governance of the organisation

What are the basic requirements related to the governance and internal structure as provided by law?

Public organisations: Two mandatory bodies include:

- *Supreme governing body* — a general assembly of members;
- *Executive body* — e.g. an executive director, a chairperson;

Permanent collegial executive body (not compulsory) — e.g. executive board, council, presidium.

Funds: The governing structure (board of trustees) is defined by its statute.

The governing body is in charge of making sure that CSO complies with its purposes. The governing body possesses the competences on:

- amendment of the statute;
- setting the priorities of the nonprofit organisation, principles of formation and use of its property;
- the formation of the executive bodies of the nonprofit organisation and the early termination of their powers;
- approval of the annual report and annual balance sheet;
- approval of the financial plan for a nonprofit organisation and amendments;
- establishment of branches and representative offices of non-profit organisations;

- participation in other organisations;
- reorganisation and liquidation of non-profit organisations (except for liquidation of the fund).

Are there any eligibility requirements to the members of the governing bodies?

Any physical person with full legal capacity without restrictions on the place of residence or citizenship can be a member of the governing body.

Are foreign citizens allowed to serve on the board?

Yes.

Are founders and members financially liable by law?

No.

8. Staff and members of the organisation

Are there any eligibility requirements of the staff and members of a CSO?

Any citizen, foreign citizen or stateless person who legally reside in Russia and are of full legal capacity. Legal entities and associations can also be members of a CSO.

Is there a requirement to have a full-time employee?

No requirements for a full-time employee (even for director and an accountant). Part time employment is also permissible.

Is there a requirement to have an accountant?

Yes.

9. Voluntary dissolution and liquidation

What is the liquidation procedure in case of voluntary dissolution of a CSO?

According to Article 21.1 of the Civil Code, a legal entity that did not submit reports and did not have any activity with at least one of its banking accounts during the last 12 months will be removed from the Unitary Registry of Legal Entities. However, only a registration note on liquidation in the Unitary Registry of Legal Entities constitutes liquidation of the CSO.

Article 18 of the *Law on Noncommercial organisations* refers to the general liquidation procedure in the Civil Code. Article 62 of the Civil Code on liquidation of legal entities outlines the steps of general liquidation process.

The founders or another governing body that decided on liquidation must create a *liquidation commission*. The liquidation commission is in charge of all further proceedings by CSO and can represent its interests in court. The commission must notify the registration body about the intent to liquidate and submit an interim assets balance sheet.

The liquidation commission issues an official announcement on liquidation and publicises it through mass media for at least 2 months. Upon submission of creditors' claims the liquidation commission issues an interim liquidation balance sheet, which includes the order of payments.

After the settlement, the liquidation commission submits to the registration body the following documents:

- *An application form for registration of liquidation process* according to the official template;
- *A liquidation balance sheet*;
- *Proof of payment* for the administrative fee.

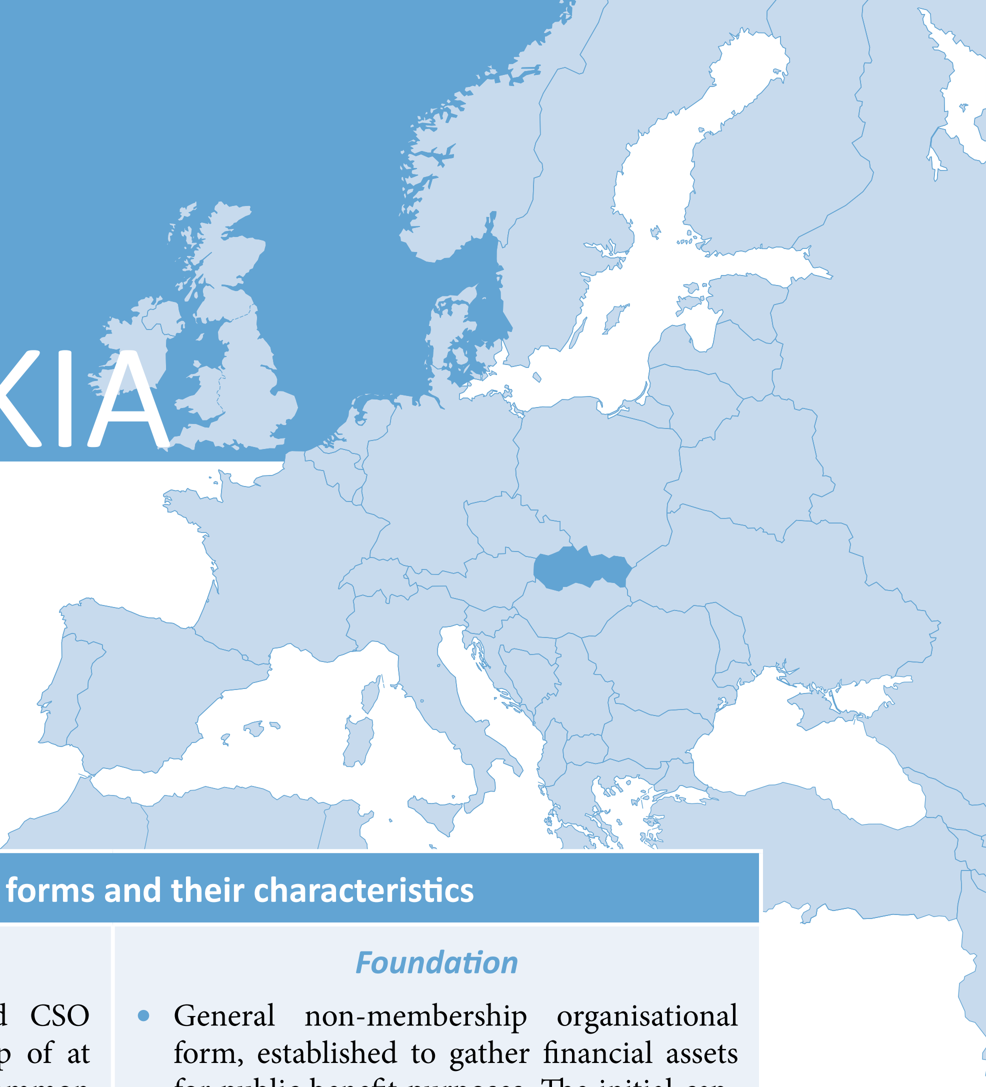
The decision on registration of liquidation is made by the registration body within 5 days. The remaining assets must be distributed to the CSO statutory purposes or for the charity purposes, unless otherwise prescribed by the federal law. The liquidation process is complete after a corresponding note on liquidation has been made to the Unitary Registry of Legal Entities.

Article 18 of the *Law on Noncommercial organisations* provides that **funds** can only be liquidated through a court procedure, i.e. upon submission of the court's decision to the registration authority.

The fund may be liquidated:

- if the fund's assets are insufficient to carry out its objectives and there is no probability of obtaining the necessary assets;
- if the fund's objectives cannot be achieved, and the necessary changes to the statutory purposes of the fund cannot be made;
- in case of failure by the fund to comply with the statutory goals through performing its activities;
- in other cases stipulated by federal law.

SLOVAKIA



General information*

- Capital: Bratislava
- Population: 5.414 million
- GDP: $91.62 billion

CSO legal forms and their characteristics

Civic Association

- General membership based CSO form established by a group of at least 3 citizens sharing a common goal or interest.

Foundation

- General non-membership organisational form, established to gather financial assets for public benefit purposes. The initial capital requirement is EUR 6,638.

Non-Investment fund

- Non-membership organisational form, with a significantly lower initial capital requirement than a foundation, and serving rather temporary than long term purposes.

Non-Profit Organisation Providing Public Benefit Services

- Combination of membership and non-membership based organisational form, active in the provision of public benefit services. The major disadvantage are excessive reporting requirements.

Key CSO laws

- Law No. 83/1990 Coll. On the association of citizens;
- Law No. 34/2002 Coll. On Foundations;
- Law No. 147/1997 Coll. On the non-investment funds;
- Law No. 213/1997 Coll. On Non-Profit Organisations providing public benefit services.

* Source: World Bank, 2013.

1. Existing forms of CSOs in Slovakia and their characteristics

What forms of CSOs exist in Slovakia? What are their main characteristics?

The existing CSO forms include: **Civic Association** (*Občianske združenie*), **Foundation** (*Nadácia*), **Non-Investment Fund** (*Neinvestičný fond)* and **Non- Profit Organisation Providing Public Benefit Services** (*Nezisková organizácia poskytujúca všeobecne prospešné služby)*. For the purposes of this Handbook we will provide information on civic association and non-investment fund.

Are there any restrictions on the permissible goals and activities of CSOs?

Association: Prohibited are associations:

1) *whose goals violate the Constitution and other laws,* i.e. associations whose goal is to subvert or limit the personal, political or other rights of citizens because of their nationality, sex, race, origin, political or other opinions, religious faith or social situation, ignite hatred or intolerance, support the use of force or in other ways violate the constitution and laws;
2) *that seek to attain their goals in ways that are incompatible with the Constitution and other laws*;
3) *armies or armed units*, this does not include associations whose members maintain or use fire-arms for sport purposes.

In addition to this, associations are not allowed to perform the functions of state bodies in so far as specific laws do not stipulate otherwise. They are not allowed to govern state bodies and impose responsibilities on citizens who are not their members.

Non-investment fund: The permissible goals are either fulfilment of publicly beneficial purposes or individually directed humanitarian aid for an individual or a group of persons whose life is at risk or they are in urgent need of assistance due to an occurrence of a disaster of nature.

Considered as publicly beneficial purposes are:

a) Promotion and protection of spiritual values,
b) Protection of human rights,
c) Protection and development of the environment,
d) Preservation of natural and man-made values,
e) Protection and support of health and education,
f) Development of social services.

2. Requirements on the founders of a CSO

What is the minimum number of founders required by law?

Association: 3.

Non-investment fund: 1.

What are the eligibility requirements for founders? Are foreign citizens allowed to serve as founders?

Association: Only individuals with Slovak citizenship may serve as founders; at least one must be older than 18 years and have full legal capacity.

Non-investment fund: No restrictions, both individuals and/or legal entities may be founders regardless the country of origin or other requirements. If only one individual establishes a non-investment fund, he/she must be older than 18 years and have full legal capacity.

Are there any property or cash contribution requirements for the founders?

Association: No.

Non-investment fund: Minimum EUR 66 per founder.

3. Registration procedure

Which authority is responsible for the registration?

Association: Ministry of Interior, section of the Public Administration, Department of the General Internal Administration.

Non-investment fund: Respective Regional Office, assigned on the basis of the seat of the fund. Responsible authority for the maintenance of the Register is the Ministry of Interior.

What is the registration fee?

Association: EUR 66.

Non-investment fund: EUR 66.

Are there any other direct financial costs of the establishment of a CSO?

Association: EUR 3 — for identification number; EUR 5–15 for trade license (see below).

Non-investment fund: Notarial verification of the document of establishment (see below). All the documents must be submitted in the Slovak language.

How long should the registration process take?

Association: Usually 10 to 40 days from the initiation of the registration procedure. If the Ministry does not reject the registration within 40 days, there is a legal presumption that the association has been registered.

Non-investment fund: The registration has to be completed within 60 days from the establishment of the fund. The effective date of registration is backdated to the date indicated by the founders in the registration application.

Which documents are required for registration?*

Association:

- *Application form for the registration* signed by the founders (so called "preparatory committee"). The application for registration must determine which founder, above 18 years of age, is legally empowered to act in the name of the committee. The proposal should be supplemented by two copies of the Statutes.
- *Statutes,* content of the statutes is regulated in Article 6 (2) of the Law No. 83/1990 Coll.
- *Duty stamps* in a value of EUR 66 or payment confirmation.

Non-investment fund:

- *Founding document: Deed of establishment* verified by a Notary (just one founder) or *Establishment agreement* with officially verified signatures (more than one founder). Requirements on the content of these documents are regulated in Article 5 (1) of the Law No. 147/1997.
- *Statutes* (2 copies), the content of the statutes is regulated in Article 6 (1) of the Law No. 147/1997 Coll.
- Officially verified *affidavit* of an authorised founder about the payment of the founding contribution or the parts by other founders.
- *Criminal record* of the administrator.
- *Extract from the Business Register* if the founder is a company.
- *Duty stamps* in a value of EUR 66 or payment confirmation.

* The information about registration procedure and requirements for the documents is provided on the Official website of the Ministry of Interior of Slovak Republic.

Is electronic submission possible?

No.

Is there a requirement to have an office in the country? Are there any specific requirements related to it?

Yes, there is a requirement to have an office, but no additional requirements. The office may be located in any kind of premises, including apartments.

Are there additional requirements related to registration?

No.

Are there additional administrative procedures related to registration?

Association:

- *Obtaining an identification number (IČO- identifikačné číslo osoby)* — obligatory for all associations. Statutory representative must within 10 days from the registration submit an application to the Statistics Office.
- *Obtaining* a *trade license (živnostenské oprávnenie)* — obligatory for associations that want to engage in non- statutory economic activities. They must submit an application to the respective district office.

Non-investment fund: *Opening a bank account* for depositing the founding capital and other resources.

What are the legal grounds for denial of registration?

Association: Ministry shall deny registration if:

a) it is an association of citizens regulated under other laws in the legal framework; such as political parties, political movements, associations of citizens established for conducting for-profit activities or for securing the regular exercise of specific occupations, churches and religious societies, associations of citizens for exercising the right of hunting;

b) its Statutes are not in compliance with the legal requirements described above;

c) in case of a prohibited association in light of its goals and activities described in section I of this chapter.

Non-investment fund: The registration authority shall deny the registration if the founding document (Establishment Contract or Letter of Establishment) and Statutes are not in compliance with the laws.

4. Sources of funding

What are the possible sources of funding?

Association: Available sources of income include:

- State funding (on both national and local level);
- Donations from domestic and foreign individuals and legal entities;
- Membership fees;
- Funding from corporate foundations and/or endowment fund;
- Income from economic activities;
- International and EU funding mechanisms;
- Income from service charges and legacies.

Non-investment fund: The Law (Article 1) provides a list of possible assets of funds:

- Donations from individuals or legal entities;
- Legacies;
- Income from lotteries and similar games;
- Income from organising events (cultural, educational, social, sports);
- Proceeds from the sale of fund's publications supporting the purpose of the fund;
- Interests on financial deposits in banks;
- Income from government bonds;
- Income from the liquidation balance of another Fund;
- Income from the state budget, the budget of a state fund, or a municipal budget.
- Non-investment funds have access also to the international and EU funding mechanisms and/or funding from corporate foundations.

Additionally, both forms are eligible to receive contributions from *tax designation mechanism*; (1.5–2% from the taxable income of legal entities; 2–3% from taxable income of individual taxpayers).

What are the restrictions on the possible sources of funding?

Association: Direct economic activity, such as sale of goods or other form of earning profit, cannot be the main statutory activity, only a supplementary one. If an association wants to engage in these activities, it needs to obtain a trade license. Other income generating activities (such as income from membership fees, sale of own publications) that are related to the statutory goals are allowed without an obligation to have a trade license.

Non-investment fund: Direct economic activities are fully prohibited, only occasional and exceptional ones are allowed: income from lotteries and other similar games, from organising cultural, educational, social, and sport events or sale of own publications supporting the statutory goal of the fund.

5. Tax treatment of CSOs

What is the income tax treatment of CSOs?

CSOs are generally exempt from taxation on income from statutory activities, income from membership fees, subsidies, grants, donations, statutory activities and income from tax designation mechanism. Income from the non-statutory economic activities (only allowed for associations) that are creating profit are taxed at the general income tax rate (22%). Taxed is income from the rent or sale of property, revenues from commercial ads and other generally taxable income.

What is the VAT treatment of CSOs?

VAT exempt transaction are listed under sections 28–39 of the VAT Law. Services provided by associations in exchange for membership fees are VAT exempted. The general VAT rate of 20% applies to the other sources of income.

Are there any tax benefits for donors in place?

No.

6. Obligations of a registered CSO

What are the reporting requirements of a registered CSO?

Association: No obligation to submit an annual report.

Non-investment fund: Obligation to submit an annual financial report. The report must be audited if the annual turnover exceeds the amount of EUR 165,969. The information to be included in the report is regulated in Article 25 (2) of the Law No. 147/1997.

Are there additional obligations of a registered CSO?

Association & Non-investment fund: Obligation to register at the respective Tax Office and submit the *VAT tax declaration* if the annual turnover from the non-exempt income (e.g. income from the direct economic activities) exceeds EUR 49,790.

Additionally, if a CSO has income from sources that are not income tax exempt, it is obliged to submit an *Income tax declaration.*

7. Internal governance of the organisation

What are the basic requirements related to the governance and internal structure as provided by law?

Association: The internal governance is fully determined by Statutes of the Association at founders' discretion.

Non-investment fund: The bodies of a fund are:

a) *Board of Directors*, supreme body of the fund. Exclusive competencies of the Board include approval of the budget and use of money, approval of the annual financial statement and annual report, decision on a merger, fusion and abolition of the fund, determination of the resources to be spent on administration of the fund, appointment of a liquidator, changes to the Statues if allowed in the founding document and other competencies determined by the Statutes. The Board is headed by a chairperson. Details regarding the competencies, convening sessions, deliberations, and resolutions of the Board of Directors are determined by the Statutes.

b) *Administrator*, statutory organ of the fund, directing its activities. Same eligibility requirements apply as for founders. S/he is elected and dismissed by the Board and the term of service is determined by statutes. The Administrator makes decisions about all activities except of those reserved for other bodies of the fund either by Law or by statutes. Competencies can be internally restricted by either a founding document, statutes or Board.

c) *Other bodies determined by Statutes.*

Are there any eligibility requirements to the members of the governing bodies?

Association: The same as for founders.

Non-investment fund: A member of the Board of Directors can only be an individual capable of legal acts and not convicted for committing an intentional crime. A person who receives benefits from the Fund cannot be a member of the Board of Directors.

Are foreign citizens allowed to serve on the board?

Association: Yes.

Non-investment fund: Yes.

Are founders and members financially liable by law?

Association: No.

Non-investment fund: The founders are responsible for all liabilities before the fund is officially registered. Following the registration, all the liabilities are transferred to fund, unless rejected by fund within 3 months.

8. Staff and members of the organisation

Are there any eligibility requirements of the staff and members of a CSO?

Association: No.

Non-investment fund: Fund's Administrator has to be individual capable of legal acts and not convicted for committing an intentional crime.

Is there a requirement to have a full-time employee?

No.

Is there a requirement to have an accountant?

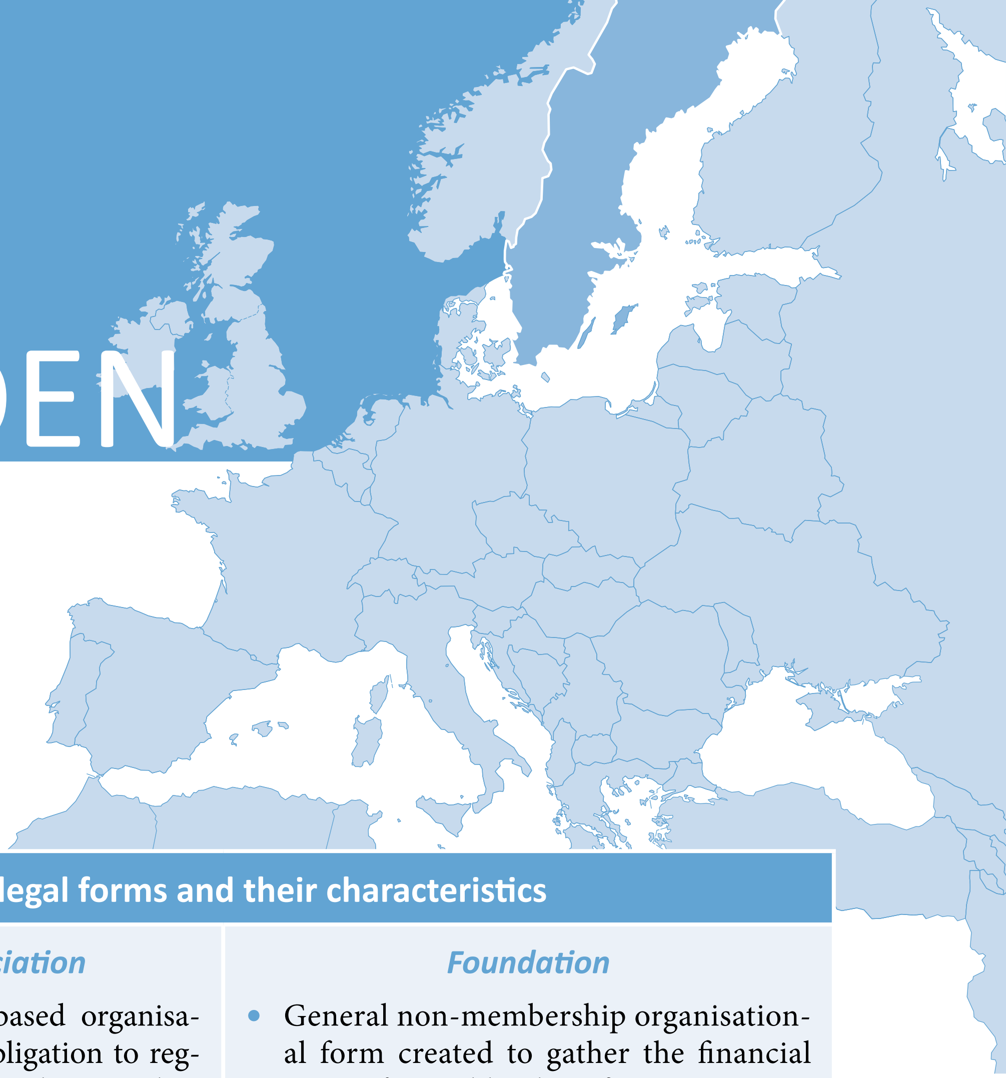
There is no obligation to have an accountant, but to keep the books. The book keeping could be contracted out to an external accountant or an accounting company.

9. Voluntary dissolution and liquidation

What is the liquidation procedure in case of voluntary dissolution of a CSO?

Association: The manner of the voluntary dissolution shall be determined by the Statutes. If there are any remaining assets or claims, the association shall appoint a liquidator that satisfies the claims of the creditors and disburse the remaining assets in accordance with the law.

Non-investment fund: The operation of the fund might be terminated with or without liquidation — the liquidation is compulsory if the remaining assets of the fund are not transferred to the other fund or to foundation after merger or fusion. The liquidation of the fund can be conducted either by a member of statutory body or external liquidator. The liquidator does all the necessary actions in order to complete the liquidation procedure. The remaining assets of the fund after liquidation can be only transferred to another non — investment fund or foundation. The full procedure is the same as for business companies and is regulated under Commercial Code.



SWEDEN

General information*

- Capital: Stockholm
- Population: 9.593 million
- GDP: $579.7 billion

CSO legal forms and their characteristics	
Voluntary association	***Foundation***
• General membership based organisational form, without obligation to register in order to have a legal personality.	• General non-membership organisational form created to gather the financial assets for public benefit purposes or mutual benefit purposes.

Key CSO laws

- Foundations Act 1994;

  There is no special law on "voluntary associations". Following resources have been used for completing the information on their establishment:
- Voluntarius: How to create a voluntary association;
- Charity Law, jurisdictional comparisons: Country note on Sweden by Michael Karlsson and Mannheimer Swartling, First, edition 2012;
- European Foundation Center: Country profile on Sweden, 2011;
- GHK: Study on volunteering in the European Union, Country report Sweden, 2012.

* Source: World Bank, 2013.

1. Existing forms of CSOs and their characteristics

What forms of CSOs exist? What are their main characteristics?

The existing CSO forms include: **Voluntary Association** (*ideel förening*) and **Foundation** (*stiftelse*). Foundations Act recognises "**ordinary foundations**" *(stiftelser i allmänhet)*, "**fundraising foundations**" *(insamlingsstiftelser)* and "**collective agreement foundations**" *(kollektivavtalsstiftelser)*. For the purposes of this Handbook we will provide information on voluntary association and ordinary foundation.

Are there any restrictions on the permissible goals and activities of CSOs?

Voluntary association & Foundation: An association or a foundation cannot pursue activities that are against law and moral standards.

2. Requirements on the founders of a CSO

What is the minimum number of founders required by law?

Voluntary association: There are no formal requirements. However, for an association to exist in the legal sense, an agreement of cooperation has to be made by two or more individuals or legal entities.

Foundation: 1.

What are the eligibility requirements for founders? Are foreign citizens allowed to serve as founders?

Voluntary association: No specific requirements, both individuals and legal entities are eligible.

Foundation: No specific requirements, both individuals and legal entities are eligible.

Are there any property or cash contribution requirements for the founders?

Voluntary association: No.

Foundation: No.

3. Registration procedure

Which authority is responsible for the registration?

Voluntary association: There is no registration requirement. An association is established and has legal personality when it successfully fulfils generally accepted criteria. However, there is an optional registration, if an association decides to do so.

Foundation: County government (local authority).

What is the registration fee?

Voluntary association: No registration fee.

Foundation: 180 Swedish crowns (SEK) (EUR 19).

Are there any other direct financial costs of the establishment of a CSO?

Voluntary association: No, unless a voluntary association is going to conduct *business activities* (*ideell förening med näringsverksamhet*), hereinafter *economic activities* there are no other costs related to the establishment.

Foundation: Costs of the notarial verification/official certification of the copies of the documents submitted to the registration authority.

How long should the registration process take?

Voluntary association: No obligatory registration.

Foundation: The relevant laws do not provide any specific timeframe for registration. County regulation may provide details on the registration process.

Which documents are required for registration?

Voluntary association: For an association to exist in the legal sense, an *Agreement of cooperation* has to be made by two or more individuals or legal entities. The agreement must be formalised by the adoption of the *Statutes* which must include information on the name and main purpose of the association. Also, a *Board of the association* has to be appointed and responsibilities within the board members have to be divided. Hence, the documents proving that the association has been established as a legal entity are:

- Minutes of the founding meeting;
- Statutes;
- Minutes of the board meeting.

Foundation:

- *Application form for the registration* (including information described in Chapter 10 of the Foundations Act);
- *Founding document (Deed of foundation)*, written form, signed by the founder;
- *Copy of a foundation's decree (Statutes);*
- *Confirmation about the transfer of assets.*

Is electronic submission possible?

Voluntary association: —

Foundation: Yes.

Is there a requirement to have an office in the country? Are there any specific requirements related to it?

Voluntary association: No.

Foundation: A foundation shall have a registered office or seat. If there is no fixed office, it may be also place from where the foundation is managed.

Are there additional requirements related to registration?

Voluntary association: No.

Foundation: A foundation's name shall contain the word "foundation" (*stiftelse)* referring to its legal form.

Are there additional administrative procedures related to registration?

Voluntary association: If a voluntary association carries out economic activities it must be registered at the official commercial register (*handelregistret*).

Foundation: If a foundation wants to conduct economic activities the board or the administrator shall submit a registration to the foundation record. The application for registration shall indicate the name under which the economic activities will be performed and the nature of the economic activities.

What are the legal grounds for denial of registration?

Voluntary association: The registration is not compulsory. If the application is complete and a Voluntary Association meets all the requirements there are no legal grounds for denial of registration.

Foundation: The law does not specify any grounds for denial, it is determined by the county regulations. However, from the general provisions can be derived that registration is denied if a foundation aims to pursue activities that are against the law and/or moral standards.

4. Sources of funding

What are the possible sources of funding?

Voluntary association & Foundation: Available sources of income include:

- Public funding (national, regional & local level);
- Organisational grants distributed by public and non-governmental actors;
- Donations from domestic and foreign individuals and legal entities;
- Membership fees;
- Funding from corporate foundations and/or endowment funds;
- Lotteries and other games of chance, a permit is needed for organising these activities;
- International and EU funding mechanisms;
- Income from supply of goods and services.

What are the restrictions on the possible sources of funding?

Voluntary association: As long as the sources of funding are obtained or gained in a legal way, there are no restrictions.

Foundation: Foundation must invest its assets in an acceptable manner and avoid speculative investments.

5. Tax treatment of CSOs

What is the income tax treatment of CSOs?

Voluntary association & Foundation: If associations or foundations fulfil the requirements stipulated under the Chapter 7 Articles 3–6 and Article 10 of the Income Tax Act they have to pay taxes only on the income from capital gains and losses and on income from economic activities. All the other forms of income are not subject to income tax.

In addition, associations fulfilling requirements described above may be exempted also from the tax on: (A) income from activities that are related to the association's statutory purposes, (B) income from activities that have traditionally been used as a source of funding for voluntary work or (C) income from possession of a property belonging to the association.

What is the VAT treatment of CSOs?

Voluntary association & Foundation: Above mentioned activities of associations exempted from income tax are considered non-commercial and therefore exempted also from VAT. Other activities are subject to general VAT rate of 25% or reduced rate of 12% depending on the type of activity. Foundations pay VAT according to the kind of activity they engage in.

Are there any tax benefits for donors in place?

Voluntary association & Foundation: Donations from individuals to CSOs active in charity work for the economically needy or in the promotion of scientific research are eligible to a tax deduction of 25% of the donation amount, up to a maximum of 1,500 SEK (EUR 161). In order to claim a tax deduction, donors must have made donations with the total value of at least 2,000 SEK (EUR 214) and each individual donations must amount to at least 200 SEK (EUR 22).Only monetary donations are eligible for tax benefits and the recipient of the donation must be approved by the tax authorities.

In addition, corporations may deduct some donations as business expenses, if they are related to their business activities.

6. Obligations of a registered CSO

What are the reporting requirements of a registered CSO?

Voluntary association:

- Voluntary Association is obliged to report to the Swedish Tax Agency when it pays money or give benefits to persons in any way connected to the association (e.g. employee), exceeding 100 SEK/year (EUR 11);
- Voluntary Association is obliged to report to the Swedish Tax Agency when it pays general payroll tax (*arbetsgivaravgift*) and social security.

Foundation: Foundations with assets over 1.5 million SEK (EUR 160,468), foundations conducting economic activities and foundations set up by the state or municipality must for each financial year prepare an annual report including activity report, income statements, balance sheets and notes. Smaller foundations must make a statement of their accounts.

Are there additional obligations of a registered CSO?

Voluntary association:

- Voluntary Association with assets exceeding 1.5 million SEK (EUR 160,468) have an obligation to keep books.

- Voluntary Association that conducts economic activities have an obligation to keep books.

Foundation:

- All foundations must submit an annual tax declaration to the tax office;
- Each foundation that is required to submit an annual report (as described under question "*What are the reporting requirements of a registered CSO")* has to pay for annual supervision, depending on the type of foundation. Fee for ordinary foundation is 400 SEK (EUR 43);
- All foundations must pay an annual record keeping fee: (A) SEK 425 (EUR 46) if the value of the foundation's assets at the end of the previous fiscal year exceeds 1.5 million SEK (EUR 160,468), (B) SEK 200 (EUR 22) all the other foundations.

7. Internal governance of the organisation

What are the basic requirements related to the governance and internal structure as provided by law?

Voluntary association: There are no legal provisions, internal governance shall be determined by the association's Statutes. All associations must have a ***governing body*** and a ***general meeting***. General meeting is the supreme decision-making body. The governing body is responsible for implementing the decisions of the general meeting, representing the association vis-à-vis third parties and overall management of the association.

Foundation (Chapter 2 of the Law on Foundations): The internal governance should be determined by the foundation's deed, provided it is not against law. There are two different forms of foundations' management: ***"own management"*** and ***"attached management"***:

- In case of "own management" one or more individuals create a board and administer and represent the foundation. The board shall appoint a chair. Decisions are taken by simple majority if the statutes do not stipulate otherwise.
- In case of "attached management", a legal entity manages the foundation — this legal entity is the administrator of the foundation and acts through its governing body.

According to the Law, the board members should ensure that the wishes of the founder, the statutes, and the law are respected; the assets are well invested and the accounting is done in accordance with the legal provisions.

There are no legal rules about supervisory boards.

Are there any eligibility requirements to the members of the governing bodies?

Voluntary association: A board member may not be minor, bankrupt or have a guardian pursuant to the Chapter 11 Article 7 of the Children and Parents Code. A board mem-

ber should normally also be a member of the organisation if the statutes don't give an exception to this rule.

Foundation: A board member may not be minor, bankrupt or have a guardian pursuant to the Chapter 11 Article 7 of the Children and Parents Code.

Are foreign citizens allowed to serve on the board?

Voluntary association: Yes.

Foundation: Supervisory board is made up of county government authorities.

Are founders and members financially liable by law?

Voluntary association: The members are not financially liable by law. However, a representative of a voluntary association (normally a board member or a person authorised to sign on behalf of the organisation) can in some cases be held economically responsible for the voluntary association's taxes and fees if these are not paid according to the tax laws and regulations.

Foundation: Board members, administrators and auditors can be held liable for damages caused by intentional or negligent acts to the foundation or third parties. They can also be held criminally liable under the Criminal Code.

8. Staff and members of the organisation

Are there any eligibility requirements of the staff and members of a CSO?

Voluntary association: There are generally no eligibility requirements of the members of a voluntary association. For the staff, only Swedish employment laws in general apply. If the staff is a representative or a person authorised to sign on behalf of the organisation he/she must also meet the same requirements as the board members.

Foundation: If a member or staff represents a foundation based on the Board's or administrator's authorisation, he/she may not be minor, bankrupt or have a guardian pursuant to the Chapter 11 Article 7 of the Children and Parents Code.

Is there a requirement to have a full-time employee?

Voluntary association: No.

Foundation: No.

Is there a requirement to have an accountant?

Voluntary association: Voluntary association must have an internal auditor. To be obliged to have an accountant a voluntary association should have:

- more than 50 employees
- more than 40 million SEK (EUR 4,281) in reported assets
- more than 80 million SEK (EUR 8,563) in reported net profits

Foundation: There is no obligation to have an accountant, but there is a requirement to keep the books. Also, every foundation must have at least one auditor. If a foundation is required to prepare an annual financial report, at least one auditor must be either a qualified authorised public accountant or an approved public accountant.

9. Voluntary dissolution and liquidation

What is the liquidation procedure in case of voluntary dissolution of a CSO?

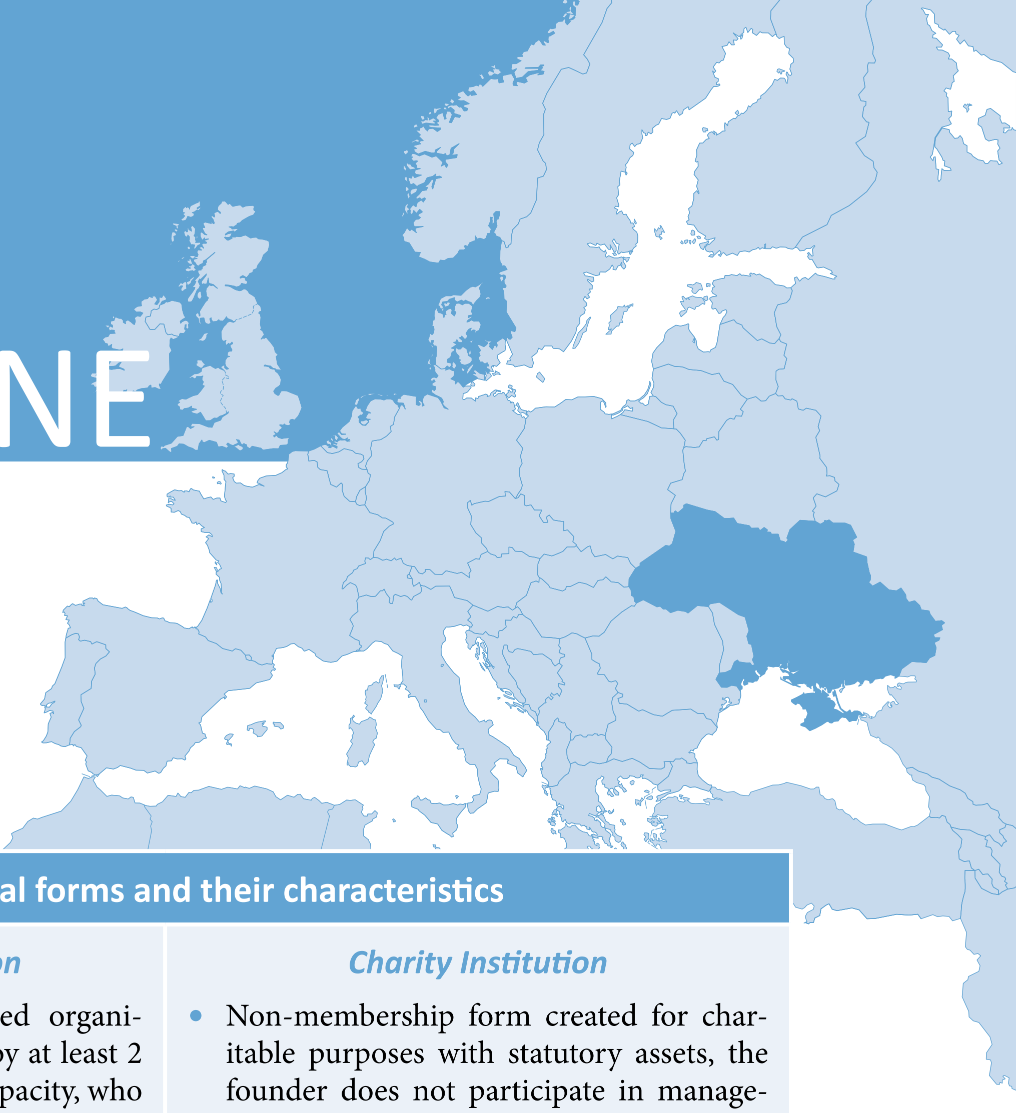
Voluntary association: There is no written procedure for liquidation. The traditionally used one is that firstly claims of creditors shall be satisfied and then the remaining assets shall be used in accordance with the provisions of the Statutes. When there are no such provisions in the Statutes, the assets shall be distributed to the association's members.

Foundation: As soon as there is a reason to believe that the value of the fund's assets is less than the debts, board of directors or administrator shall prepare a balance sheet. If the balance sheet shows that the assets are less than debts, a petition for liquidation should be filed with the appropriate court.

The court shall appoint one or more liquidators that replace board of directors or administrator and are recorded in the register. A financial statement shall be prepared for the period when the accounts have not been audited. The liquidators should also publish a notification about liquidation of a foundation for the unknown creditors. When the period for creditors' claims has expired and all known debts have been paid, the liquidators use the remaining funds for the same purpose the foundation pursued or for a similar one.

The dissolution of small foundations (provided they do not have any debt) is foreseen if they have not been able to pursue their purposes for the last five years and were set up at least 20 years ago. In case of dissolution, the assets have to be spent for the same purpose the foundation pursued or used for a similar one.

UKRAINE



General information*

- Capital: Kyiv
- Population: 45.4 million
- GDP: $177.4 billion

CSO legal forms and their characteristics

Public Organisation

- General membership based organisational form established by at least 2 physical persons of legal capacity, who officially reside in Ukraine.

Charity Institution

- Non-membership form created for charitable purposes with statutory assets, the founder does not participate in management.

Public Union

- Membership based organisational form established by legal entities.

Charity Fund

- Non-membership organisational form created by at least 1 founder (no initial capital requirement, possibility of involvement of participants).

Charity Union

- Non-membership form created by at least 2 physical or legal persons for charitable purposes, which permits involvement of participants in its activities.

Key CSO laws

- Civil Code, 2003;
- Law on Public Associations, 2013;
- Law on Charity and Charitable organisations, 2013.

* Source: World Bank, 2013.

1. Existing forms of CSOs and their characteristics

What forms of CSOs exist? What are their main characteristics?

The existing CSO forms include public associations and charity and charitable organisations. Public associations have two forms: **Public organisation** (*громадська організація*) and **Public union** (*громадська спілка*). Charity and charitable organisations can acquire the form of **Charity union** (*благодійне товариство*), **Charity institute** (*благодійна установа*) or **Charity fund** (*благодійний фонд*). For the purpose of the Handbook, we review public organisations and charity funds.

Are there any restrictions on the permissible goals and activities of CSOs?

Public organisation: Public organisations can independently set their goals and define activities in accordance with statutory goals.

The Law on Public Associations Article 4 prohibits associations, which have as goals elimination of Ukraine's independence, change of the constitutional order by force, violation of the sovereignty and territorial integrity, undermining security, unlawfully seizing power, pursuing propaganda of war, violence, and incitement of ethnic, racial or religious hatred, infringement of human rights and freedoms and health.

Charity fund: Charity funds should promote beneficiaries' legitimate interests in the spheres of charitable activities defined by law.

Charitable organisations cannot provide charitable assistance to parties or on behalf of political parties, nor participate in political campaigning.

2. Requirements on the founders of a CSO

What is the minimum number of founders required by law?

Public organisation: 2.

Charity fund: 1.

What are the eligibility requirements for founders? Are foreign citizens allowed to serve as founders?

Public organisation: Only physical persons, including foreign citizens and stateless persons, who officially reside in Ukraine, can be founders.

Charity fund: Both physical persons with full legal capacity and legal entities can be founders.

Are there any property or cash contribution requirements for the founders?

Public organisation: No.

Charity fund: Founders are not required to transfer money or assets to the organisation, assets can be transferred by the participants of the fund and/or other benefactors.

3. Registration procedure

Which authority is responsible for the registration?

Public organisation: Territorial divisions of the Ministry of Justice.

Charity fund: State registrar, a local department of state registration.

What is the registration fee?

Public organisation: Free of charge.

Charity fund: 51 hryvnas (EUR 2).

Are there any other direct financial costs of the establishment of a CSO?

Public organisation & Charity fund: The signature on the application must be verified by a notary 150 hryvnas (EUR 6).

How long should the registration process take?

Public organisation: 7 days (with a status of legal entity).

Charity fund: 3 days.

Which documents are required for the registration?

Public organisation: Within 60 days from creation of the organisation, the founders must submit to the registration body:

- Statute — 2 copies;
- Application form (signature verified by a notary);
- Minutes of the statutory meeting;
- Information on members of governing bodies;
- Registration card for state registration of a legal entity.

Charity fund:

- Statute — 2 copies;
- Minutes of the statutory meeting;
- Information on members of governing bodies;
- Registration card for state registration of a legal entity.

Is electronic submission possible?

No, but submission by post is possible.

Is there a requirement to have an office in the country? Are there any specific requirements related to it?

Public organisation & Charity fund: Yes, the legal address or registration of a legal address at the residential address is required.

Are there additional requirements related to registration?

Public organisation & Charity fund: No.

Are there additional administrative procedures related to registration?

Public organisation & Charity fund: For carrying out financial transactions, it will be required to open a bank account.

What are the legal grounds for denial of registration?

Public organisation: The territorial divisions of the Ministry of Justice can deny registration for the following reasons:

- Not all required documents submitted;
- Documents are incomplete;
- Documents are submitted by a person not entitled to do so;
- Documents are submitted with violation of the deadline for notification;
- Public organisation failed to re-submit the documents at the request of the registration body.

The registration body notifies the applicant about discrepancies and the applicant can revise the application and re-submit within six months.

Charity fund: The state registrar can deny registration for the following reasons:

- Documents not submitted to the local registration body;
- Documents do not meet the requirement criteria;

- The court decision prohibits registration;
- Documents are incomplete;
- Documents are submitted by a person not entitled to do so.

4. Sources of funding

What are the possible sources of funding?

Public organisation:

- State support — e.g. government grants, subsidies, local authorities' subsidies;
- Foreign grants;
- Donations from legal entities and private individuals, including crowd-funding;
- Membership fees;
- Income from statutory economic activities;
- Endowments.

Charity fund:

- Contributions from founders and participants;
- Donations;
- Charity grants;
- Endowments and interest;
- Economic activities.

What are the restrictions on possible sources of funding?

Public organisation: Direct economic activity cannot be the main statutory activity and must comply with aims and goals of the organisation. In case public organisation carries out economic activities, it may not receive the status of a non-profit organisation (see Tax treatment section).

Charity fund: Donations and charity grants must be used within the timeframe prescribed by the donor and not later than within 12 months after the receipt.

The recipient can only use the interest from the endowment and requires permission from the donor to use the whole amount.

5. Tax treatment of CSOs

What is the income tax treatment of CSOs?

CSOs can choose to obtain the status of a non-profit organisation with fiscal authorities. In this case, they will be exempt of income tax without any limitations on the amounts.

The recipient of charitable donations must use the amounts within the timeframe set by the donor and not longer than within 12 months from the receipt.

Organisations can choose simplified taxation with the rate of 2–4%, but will have no other fiscal benefits. General income tax rate is 18%.

What is the VAT treatment of CSOs?

In case of pro bono services and gratuitous donation of goods and services, there is no VAT tax (Article 197 of Fiscal Code). Otherwise, a general VAT tax rate of 20% is applied. In case the total amount of services/goods in a year exceeds 1,000,000 hryvnas (EUR 40,000) CSOs must register as VAT taxpayers at the respective tax authority. Charity funds are VAT exempt and do not have a requirement to register.

Organisations can choose simplified taxation of 2–4%, but will have no other fiscal benefits.

Are there any tax benefits for donors in place?

Resident legal entities and physical persons are eligible for up to 4% tax deduction.

6. Obligations of a registered CSO

What are the reporting requirements of a registered CSO?

Public organisation: Public organisations must prepare annual statistical and financial reports with detailed information on income and spending. All reporting documentation must be retained for 5 years and provided at the request of the controlling authority.

Charity fund: Charity funds must prepare and submit annual financial and statistical reports. As part of the annual financial report, charity funds must keep financial records/ statements of economic activities. The statutes may provide for additional reports to the donors regarding the use of the assets they provided.

Are there additional obligations of a registered CSO?

In case the total amount of services/goods in a year exceeds 1,000,000 hryvnas (EUR 40,000) CSOs (except for charity funds) must register as VAT taxpayers at the respective tax authority.

7. Internal governance of the organisation

What are the basic requirements related to the governance and internal structure as provided by law?

Public organisation: The law provides discretion in determining internal governance of public organisations. The governing structure must be defined in the statute. Usually two mandatory bodies include:

- *Supreme governing body* — a general assembly of members;
- *Executive body* — e.g. an executive director, a chairperson;

Controlling body, e.g. control and revision commission, is not compulsory.

Charity fund: The governing structure is defined by the statute.

The mandatory bodies include:

- *Supreme governing body* — a general assembly of participants;
- *Executive body* — e.g. an executive director, a chairperson;
- *Supervisory council* — in charity funds with fewer than 10 participants, the supervisory council may not be formed. In this case its functions are taken over by the general assembly.

The governing body is in charge of decision making as relates to activities of the charity fund. The governing body possesses the competences on:

- amendment of the statute;
- appointment or elections or removal of the memebers of the executive body and supervisory council;
- making decisions on liquidation or reorganisation;
- any other competences as defined by the statute of the charity fund.

In case the charity fund consists of one participant, the decisions are made single-handedly and kept by written records.

The controlling council controls and regulates activities of the executive body. The members of the executive body cannot be members of the controlling council. The controlling council approves charity programs and controls correspondence of activities and use of assets. They have competence to suspend any member of the executive body until the decision by the supreme governing body, unless otherwise prescribed by the statute.

Are there any eligibility requirements to the members of the governing bodies?

Any physical person with full legal capacity without restrictions on the place of residence or citizenship can be a member of the governing body.

Are foreign citizens allowed to serve on the board?

Yes.

Are founders and members financially liable by law?

No.

8. Staff and members of the organisation

Is there a requirement to have a full-time employee?

No requirements for a full-time employee.

Is there a requirement to have an accountant?

Yes.

9. Voluntary dissolution and liquidation

What is the liquidation procedure in case of voluntary dissolution of a CSO?

Public organisation: The process of voluntary dissolution is prescribed by the statute. The founders or authorised governing body that decided on liquidation must create a liquidation commission. The liquidation commission is in charge of all further proceedings by CSO and can represent its interests in court. The commission must notify the state registrar about the intent to liquidate. For this purpose the following documents are submitted:

- *Decision* about liquidation;
- *Registration certificate* in original (or its authorised copy);
- *Statute* in original (or its authorised copy);
- *Registration card* on registration of dissolution.

The registry authority notifies about the administrative decision to start the process of liquidation within 10 working days.

Public organisation can be dissolved by a court decision based on the following grounds:

- Failure to submit during 1 year the financial report and other reporting documents to the fiscal authorities;

- Absence of the legal entity at the registered address;
- Bankruptcy.

Charity fund: The governing body makes a decision on dissolution and assigns a liquidation commission.

Upon submission of creditors' claims, the liquidation commission submits or posts to the local office of the state registrar the documents:

- *Registration card* on registration of dissolution;
- *Official note* of absence of debt from the fiscal authorities;
- *Official note* from the Pension Fund on absence of debt in payment of social payments and pension contributions;
- *Official note* from the archives on receipt of the documents for obligatory archiving.

Upon submission of complete documents the state registrar makes a decision on dissolution. The balance assets of the charity funds are transferred to the beneficiary organisations prescribed by the statute. If not mentioned in the statute, the funds are directed to the state.

SELECTED LAWS AND REGULATIONS FOR CSOS

Czech Republic

- Law No. 89/2012 Coll. Civil Code;
- Law No. 235/2004 Coll. On the Value Added Tax;
- Law No. 586/1992 Coll. On the Income Tax;
- Law No. 304/2013 Coll. On the Public Registers of legal entities and physical persons.

Estonia

- Non-profit Associations Act of June 6, 1996;
- Foundations Act of November 15, 1995;
- Law on Obligations Act of September 26, 2001.

Lithuania

- Law No. IX-1969/2004 on Associations;
- Law No. I- 1428/1996 on Public institutions;
- Law No. I- 1232/1996 on Charity and sponsorship foundation;
- Law No. XII-717/2013 on Development of Nongovernmental Organisations.

Poland

- Law on Associations from April 7, 1989;
- Law on Foundations from April 6, 1984;
- Law on Public Benefit and Volunteer Work from April 24, 2003;
- Law on Economic Activities from 21 August, 2004;
- Law on Corporate Income Tax;
- Law on Value Added Tax.

Russia

- Civil Code, First part (rev. of September 1, 2014);
- Federal Law No. 7-FZ On Non-Commercial Organisations, adopted on January 12, 1996;
- Federal Law No. 82-FZ On Public Organisations, adopted on May 19, 1995;
- Federal Law No. 121-FZ On Introducing Amendments to Certain Legislative Acts of the Russian Federation Regarding the Regulation of Activities of Non-commercial Organisations, Performing the Functions of Foreign Agents, adopted on July 20, 2012.

Slovakia

- Law No. 83/1990 Coll. On the association of citizens;
- Law No. 34/2002 Coll. On Foundations;
- Law No. 147/1997 Coll. On the non-investment funds;
- Law No. 213/1997 Coll. On Non-Profit Organisations providing public benefit services.

Sweden

- Foundations Act 1994;

  There is no special law on "voluntary associations". Following resources have been used for completing the information on their establishment:
- Voluntarius: How to create a voluntary association;
- Charity Law, jurisdictional comparisons: Country note on Sweden by Michael Karlsson and Mannheimer Swartling, First, edition 2012;
- European Foundation Center: Country profile on Sweden, 2011;
- GHK: Study on volunteering in the European Union, Country report Sweden, 2012.

Ukraine

- Civil Code, 2003;
- Law on Public Associations, 2013;
- Law on Charity and Charitable organisations, 2013.

Table 1:
Conditions of founding a CSOs

Country	Entity type	Minimum n. of founders	Foreigners as founders	Registration body	Electronic submission	Registration fee	Time
Czech Republic	*Association*	3	Yes	Regional Court or Notary	Yes	1,000 Czech crowns (€37)/registration fee waived until the June 30, 2016	Max. 30 days
	Fund	1	Yes	Regional Court or Notary	Yes	2,000 Czech crowns (€73)/registration fee waived until the June 30, 2016	5 days
Estonia	*Non-profit association*	2	Yes	Registration department of Tartu County Court/ registration submitted online or via notary	Yes	€20	5 days
	Foundation	1	Yes	Registration department of Tartu County Court	Via notary	€58	5 days

Country	Entity type	Minimum n. of founders	Foreigners as founders	Registration body	Electronic submission	Registration fee	Time
Lithuania	*Association*	3	Yes	The Centre of Registers, division: Register of legal entities/registration submitted online or via notary	Yes	€26	3 days (in practice up to 6 months)
	Charity and sponsorship foundation	1	Yes	The Centre of Registers, division: Register of legal entities	Yes	€26	3 days (in practice up to 6 months)
	Public institution	1	Yes	The Centre of Registers, division: Register of legal entities	Yes	€31	3 days (in practice up to 6 months)
Poland	*Association*	15	Only foreigners with official residence in Poland	Department of the National Court determined by the location of the organisation's seat	Yes	Exempt from registration fee	Up to 3 months
	Foundation	1	Yes	Department of the National Court determined by the location of the organisation's seat	Yes	PLN 250 (€60)/ CSOs with public benefit status are exempt	7 days
Russia	*Public organisation*	3	Only foreigners with official residence in Russia	Territorial division of the Ministry of Justice	Yes	4,000 Russian roubles (€60)	33 days
	Fund	1	Only foreigners with official residence in Russia	Territorial division of the Ministry of Justice	Yes	4,000 Russian roubles (€60)	33 days

Country	Entity type	Minimum n. of founders	Foreigners as founders	Registration body	Electronic submission	Registration fee	Time
Slovakia	*Association*	3	No	Ministry of Interior, section of the Public Administration, Department of the General Internal Administration	No	€66	10–40 days
	Non-investment fund	1	Yes	Respective Regional Office	No	€66	60 days
Sweden	*Voluntary association*	2	Yes	No registration requirement			
	Foundation	1	Yes	County government	Yes	180 SEK (€19)	Not regulated by national laws
Ukraine	*Public organisation*	2	Foreigners with official residence in Ukraine	Territorial divisions of the Ministry of Justice	No	Free of charge	7
	Charity fund	1	Foreigners with official residence in Ukraine	State registrar, a local department of state registration	No	51 UAH (€2)	3

Table 2:
Sources of funding

Country	Entity type	Available sources of funding		
		Foreign funding	Direct economic activities	Public funding
Czech Republic	*Association*	Yes	Yes, provided that economic activities are not main statutory activities and profit gained is used to support statutory goals	Yes
	Fund	Yes	Yes, provided economic activities are not main statutory activities and profit gained is used to support statutory goals	Yes
Estonia	*Non-profit association*	Yes	Yes, provided that economic activities are not main statutory activities and profit gained is used to achieve statutory objectives	Yes
	Foundation	Yes	Some restriction under Article 2 of the Foundations Act apply	Yes
Lithuania	*Association*	Yes	Yes	Yes
	Charity and sponsorship foundation	Yes	Yes	Yes
	Public institution	Yes	Yes	Yes
Poland	*Association*	Yes	Yes but the profit gained may be used only for statutory activities	Yes
	Foundation	Yes	Yes but the profit gained may be used only for statutory activities	Yes

Country	Entity type	Available sources of funding		
		Foreign funding	Direct economic activities	Public funding
Russia	*Public organisation*	Restrictions introduced by the 'Foreign agent law', all organisations having foreign financing, are required to register as organisations performing functions of foreign agents. In addition all grants from foreign donors are subject to tax unless the grantor is in the list of tax-exempt donors	No, only indirectly through separate LTD	Yes
	Fund		No, only indirectly through separate LTD	Yes
Slovakia	*Association*	Yes	Yes, provided that economic activities are not main statutory activities and profit gained is used to support statutory goals	Yes
	Non-investment fund	Yes	No	Yes
Sweden	*Voluntary association*	Yes	Yes	Yes
	Foundation	Yes	Yes	Yes
Ukraine	*Public organisation*	Yes	Yes, provided it is a statutory activity	Yes
	Charity fund	Yes	Yes	Yes

Table 3:

Tax treatment of a CSOs

Country	Income tax rate	Income tax exemption	General VAT rate	VAT exemption	Tax benefits for donors
Czech Republic	19%, however CSOs may reduce their tax base by 30% but maximum by 1,000,000 CZK (€36,500)	Income from grants, donations if they are used for statutory purposes, income from activities related to the statutory purposes if they do not create surplus, subsidies from public budgets, membership fees (associations)	21%	CSOs have to pay VAT on the income from economic activities, if their annual turnover exceeds 1,000,000 CZK (€36,500).	(1) Legal entities may deduct up to 10% of taxable income on donations higher than CZK 2,000 (€72); (2) Individuals up to 15% of the person's taxable income, if the amount of donation is higher than 2% of his/her taxable income or is at least CZK 1,000 (€36).
Estonia	0% when earned profit is not distributed	All income is exempt, provided it is not shared but used for the CSOs' statutory purposes	20%	VAT exempt if the annual turnover from the supply of non-exempt goods or services does not exceed €16,000. VAT exempt is supply of services provided by a non-profit association to its members free of charge or for a membership fee.	Yes, for donations to CSOs with public benefit status. For individual donors donations of the value up to the 5% of the donor's total income but not more than €1,920 in total can be deducted. For corporate donors the total amount of donations may not exceed either 3% of the payments made during the year to the salary fund or 10% of the calculated profit of the latest fiscal year.
Lithuania	15%	Income from activities related to the statutory purposes. Up to €7,250 income from the non-statutory economic activities are tax exempt as well.	21%	Social services and services in the fields of healthcare, education, culture, and sports, as well as services provided by CSOs to their members and income generated during charity events are exempt from VAT. To the rest, general VAT rate of 21% applies.	Legal entities can deduct double the amount of the donation and up to 40% of taxable income from their taxable income.

Country	Income tax rate	Income tax exemption	General VAT rate	VAT exemption	Tax benefits for donors
Poland	18%	Tax exempt is income devoted for the objectives listed under the Article 24 (1) of the Law on Public Benefit and Volunteer Work. In addition, there is an income tax exemption for organisations with the statutory objectives listed under the Article 17 (1), (4), (5) of the Corporate Income Tax Law.	23%	Full list of VAT exempt goods and services is included in Article 43 of the Law on Value Added Tax. Grants provided to a CSO to pursue its statutory activities are exempt.	Individuals may deduct up to 6% and legal entities up to 10% of their taxable income on donations to an organisation conducting public benefit activities in accordance to the Law on Public Benefit and Volunteer work, regardless of whether the organisation holds a public benefit status.
Russia	20%	"Receipts for designated purposes" listed under Article 251(2)(1) of the Tax Code	18%	Provision of assets to a public organisation and fund on a gratuitous basis is not subject to VAT if the assets are provided for the implementation of the CSO's statutory goals and unrelated to any commercial operation. In addition, the gratuitous provision of goods or services (with the exception of excisable goods), provided in conjunction with charitable activities, is exempt from VAT.	Only donations made by individuals are subject to tax deductions, in the amount of up to 25% of the individual's total taxable income.
Slovakia	22%	Income from membership fees, subsidies, grants, donations, statutory activities and income from tax designation mechanism	20%	VAT exempt transaction are listed under sections 28-39 of the VAT Law. Services provided by associations in exchange for membership fees are VAT exempted provided they are not considered as competitive on the market.	No

Country	Income tax rate	Income tax exemption	General VAT rate	VAT exemption	Tax benefits for donors
Sweden	22%	When requirements under Chapter 7 Articles 3-6 and Article 10 of the Income Tax Act are fulfilled: A) Income from activities that are related to the association's statutory purposes, (B) income from activities that have traditionally been used as a source of funding for voluntary work or (C) income from possession of a property belonging to the association.	25%	Activities exempt from income tax are also exempt from VAT.	Individuals are eligible to a tax deduction of 25% of the donation amount, up to a maximum of 1,500 SEK (€161). To claim the deduction donors must have made donations with the total value of at least 2,000 SEK (€214) and each individual donations must amount to at least 200 SEK (€22).
Ukraine	18%	CSOs can choose to obtain the status of a non-profit organisation with fiscal authorities. In this case, they will be exempt of income tax without any limitations on the amounts. Simplified taxation is possible without income tax payment.	20%	In case of pro bono services and gratuitous donation of goods, there is no VAT tax. Charity funds are VAT exempt. Simplified taxation is possible without VAT payment.	Resident legal entities and individuals are eligible for up to 4% tax deduction.

Table 4:
Obligations of a registered CSOs

Country	Entity type	Reporting obligation/authority	Additional obligations/authority
Czech Republic	*Association*	In general, no obligation to submit an annual report to authorities.	Register as VAT taxpayers and submit VAT Tax Declaration if their annual turnover from economic activities exceeds 1,000,000 CZK (€36,500)/Tax authority; Submit an Income tax declaration in case of having non-exempt income/Tax authority.
	Fund		
Estonia	*Non-profit association*	Annual report after the end of financial year/Registrar	Register as a VAT taxpayer if the annual turnover from the supply of non-exempt goods or services exceeds €16,000/Tax authorities; Non-profit associations & foundations that have public-benefit status must also submit a report on their public-benefit activities/Tax and Customs Board.
	Foundation	Annual report after the end of financial year (obligatory audit if revenue or assets exceed €15,000)/Registrar	
Lithuania	*Association*	Activity report together with the financial statement/ Register of legal persons	Financial statement/Tax authorities; Submit information about all new employees, maternity/paternity leaves, termination of contracts/State Social Insurance Fund Board (SODRA).
	Charity and sponsorship foundation	Activity report together with the financial statement/ Register of legal persons	
	Public institution	Activity report together with the financial statement/ Register of legal persons	

Country	Entity type	Reporting obligation/authority	Additional obligations/authority
Poland	*Association*	Annual financial report/National Court Register	Annual financial statement/Tax authorities; Annual tax report/Tax authorities; Organisations with public benefit status have to submit special financial and activity report/Ministry of Social Policy.
	Foundation	Annual activity and financial report/minister designated by the registry court	
Russia	*Public organisation*	Official reporting forms OH0001 and annual financial report OH0002/Ministry of Justice or Official statement that there was no funding from foreign sources and income was lower than 3 million roubles and notification on continuation of activities; Accounting reports/Tax authorities; Funds publish annual reports on available assets.	Activity report and composition of governing bodies according to the provided reporting form twice a year — by January 15, July 15/Ministry of Justice; Financial report and accounting report on the use all assets in the previous quarter, including from foreign sources, on a quarterly basis — by January 15, April 15, July 15, October 15)/Ministry of Justice; Annual auditor's report — no later than 15 April of the year following the reporting year/Ministry of Justice.
	Fund		
Slovakia	*Association*	No obligation to submit an annual report	Register as a VAT taxpayer and submit VAT tax declaration if the annual turnover from the non-exempt income exceeds €49,790/Tax authorities; Income tax declaration if a CSO has income subject to tax.
	Non-investment fund	Annual financial report, the report must be audited if the annual turnover exceeds the amount of € 165,969/ to Commercial Gazette for official publication	

Country	Entity type	Reporting obligation/authority	Additional obligations/authority
Sweden	*Voluntary association*	Report of cash payments or giving benefits to persons in any way connected to the association (e.g. employee)/Swedish Tax Agency; Report on payments of general payroll tax (arbetsgivaravgift) and social security/Swedish Tax Agency	Voluntary Association with assets exceeding 1.5 million SEK (€160,468) have an obligation to keep books; Voluntary Association that conducts economic activities have an obligation to keep books.
	Foundation	Foundations with assets over 1.5 million SEK (€160,468), foundations conducting economic activities and foundations set up by the state or municipality must for each financial year prepare an annual report including activity report, income statements, balance sheets and notes. Smaller foundations must make a statement of their accounts.	Annual tax declaration to the tax office; Each foundation that is required to submit an annual report has to pay for annual supervision, depending on the type of a foundation; All foundations must pay an annual record keeping fee: (A) 425 SEK (€46) if the value of the foundation's assets at the end of the previous fiscal year exceeds 1.5 million SEK (€160,468); (B) 200 SEK (€22) all the other foundations.
Ukraine	*Public organisation*	Annual statistical and financial reports with detailed information on income and spending.	All documents must be kept for 5 years.
	Charity Fund	Annual financial and statistical reports; As part of the annual financial report, charity funds must keep financial records/statements of economic activities; Statutes may provide for additional reports to the donors regarding the use of the assets they provided.	All documents must be kept for 5 years.

Table 5:
Internal governance of a CSOs

Country	Mandatory bodies			
	Entity type	Supreme body	Management body	Other bodies
Czech Republic	*Association*	Supreme body (general assembly)	Statutory body, (individual or collective)	Controlling committee, Arbitration committee or other bodies determined by statutes
	Fund		Administrative Committee	Supervisory Committee or Controller
Estonia	*Non-profit association*	General meeting of association's members	Management board (collegial or individual-director)	
	Foundation	Supervisory board	Management board	
Lithuania	*Association*	General assembly of members	Executive body (single or collegial)	Revision commission; if prescribed by statutes
	Charity and sponsorship foundation	General meeting of shareholders	Executive body (single or collegial)	Board or Revision commission, if prescribed by statutes
	Public institution	General meeting of shareholders	Administration	Board or Council, if prescribed by statutes
Poland	*Association*	General assembly of the association's members/ delegate assembly	Board	Internal auditing body/CSOs with public benefit status shall have a statutory collegiate audit or supervision body, separate from the management body and not reporting thereto within the scope of internal audit or supervision.
	Foundation		Governing body	Supervisory body optional/CSOs with public benefit status shall have a statutory collegiate audit or supervision body, separate from the management body and not reporting thereto within the scope of internal audit or supervision.

Country	Mandatory bodies			
	Entity type	Supreme body	Management body	Other bodies
Russia	*Public organisation*	General assembly of members	Executive director, a chairperson	Executive board, Council, Presidium (not compulsory)
	Fund	Board of trustees		
Slovakia	*Association*	Internal governance is determined by the statutes		
	Non-investment fund	Board of Directors	Administrator	
Sweden	*Voluntary association*	General meeting	Governing body	
	Foundation		'Own management'- one or more individuals create a Board; 'Attached management'- legal entity manages a foundation	
Ukraine	*Public organisation*	General assembly	Executive director, a chairperson	Controlling body (not compulsory)
	Charity Fund	General assembly	Executive director, a chairperson	Supervisory council (for charity funds with 10+ participants)

Table 6:
Staff and members of a CSOs

Country	Entity type	Foreigners allowed as members/board members	Requirement to have a full time employee	Requirement to have an accountant
Czech Republic	*Association*	Yes	No	No
	Fund	Yes	No	No
Estonia	*Non-profit association*	Yes, only members of the management need to have at least permanent residence in Estonia	No	No
	Foundation		No	No
Lithuania	*Association*	Yes	No	No
	Charity and sponsorship foundation	Yes	No	No
	Public institution	Yes	No	No
Poland	*Association*	Yes	No	No
	Foundation	Yes	No	No

Country	Entity type	Foreigners allowed as members/board members	Requirement to have a full time employee	Requirement to have an accountant
Russia	*Public organisation*	Yes	No	Yes
	Fund	Yes	No	Yes
Slovakia	*Association*	Yes	No	No
	Non-investment fund	Yes	No	No
Sweden	*Voluntary association*	Yes	No	Only upon prescribed conditions
	Foundation	Yes	No	
Ukraine	*Public organisation*	Yes	No	Yes
	Charity fund	Yes	No	Yes

European Center for Not-for-Profit Law (ECNL) is a leading European resource and research center in the field of civil society law, which is based in Budapest. Its mission is to promote an enabling legal and fiscal environment for civil society in Europe and beyond. ECNL experts have provided support that directly and positively influenced more than 50 laws affecting CSOs across Central and Eastern Europe and the CIS. ECNL's methodology of work emphasizes participation, transparency and local ownership.

http://www.ecn.org/

Assembly of Pro-Democratic NGOs of Belarus — the largest umbrella association of CSOs and civil initiatives in Belarus that promotes development of democracy and rule of law. The Assembly was founded in 1997 and now unites more than 300 organisations. The Assembly contributes to the development of the member organisations and formation of the civil society in Belarus. State three times refused to register the Assembly and now it is registered abroad in neighbouring Lithuania.

http://www.belngo.info/en

Legal Transformation Center — is a non-profit organisation working for the aim of legal culture improvement, implementation of enlightenment, analytical and research activities in the sphere of law. Since 1996 the organisation has been active in the field of freedom of association, the right of access to information, justice and fair trial, facilitating implementation of generally recognised principles and norms of international law into Belarusian law and developing the legal community in Belarus.

http://www.lawtrend.org/